EAST HAMPTON AIRPORT

Preliminary Economic Impact Analysis

May 11, 2021

HR&A Analyze. Advise. Act.

EAST HAMPTON TOWN, N.Y.
SAG HARBOR · WAINSCOTT · EAST HAMPTON · SPRINGS · AMAGANSETT · MONTAUK

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HR&A is an economic development and real estate consulting firm working at the intersection of the public and private sector. Our work transforms communities and revitalizes urban environments in the United States and abroad.

WE UNDERSTAND COMPLEX ECONOMIC DYNAMICS

HR&A has measured the impacts of transformative economic change across Long Island and the United States.

Long Island COVID Impact Study

LIRR Third Track Economic Impact

Santa Monica Airport Economic Impact Analysis

The Town of East Hampton engaged HR&A Advisors to assess the impacts of East Hampton Airport on the Town economy.

This preliminary economic impact analysis considers the potential impacts of three Airport use scenarios on overall economic activity and employment solely within the Town of East Hampton. The following scenarios include:

- Existing Airport Operations
- Modified Airport Operations
- An Alternative Passive Use Scenario

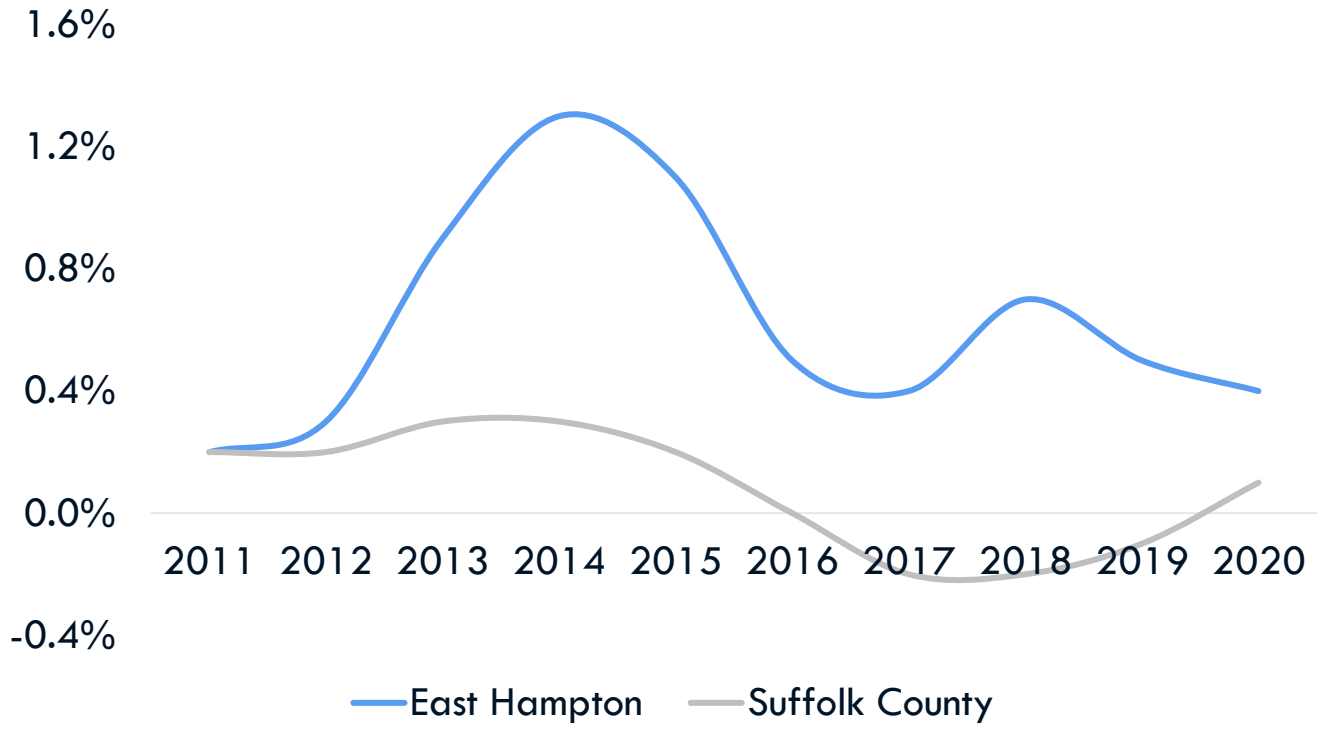
Given COVID-19 disruptions to regular airport operations and to the ability to conduct robust in-person passenger surveys and community outreach, this preliminary study assesses economic impact using existing data where available.

The development of modified and alternative use scenarios and the inclusion of inputs dependent on community engagement and stakeholder outreach such as passenger spending and airport trip destinations have been approximated using a range of reasonable best-guess assumptions. A full Economic Impact Study must include detailed passenger surveys and community outreach to obtain more precise outputs.

The Town of East Hampton's year-round population growth is outpacing Suffolk County, but both regions have seen slower population growth in the past five years.

Population (2020)	Change in Population (2010-2020)
22,900 *East Hampton (year-round)*	**7%** *East Hampton*
1,505,000 *Suffolk County*	**1%** *Suffolk County*

Annual Change in Population in East Hampton and Suffolk County (2010 – 2020)



Source: US Census (ACS 2010 - 2019) via ESRI; Suffolk County Planning

In the summer, the Town of East Hampton's population is 293% higher than its permanent population -- one of the largest seasonal increases among Suffolk County beach communities.

Population (2020)

22,900
East Hampton (year-round)

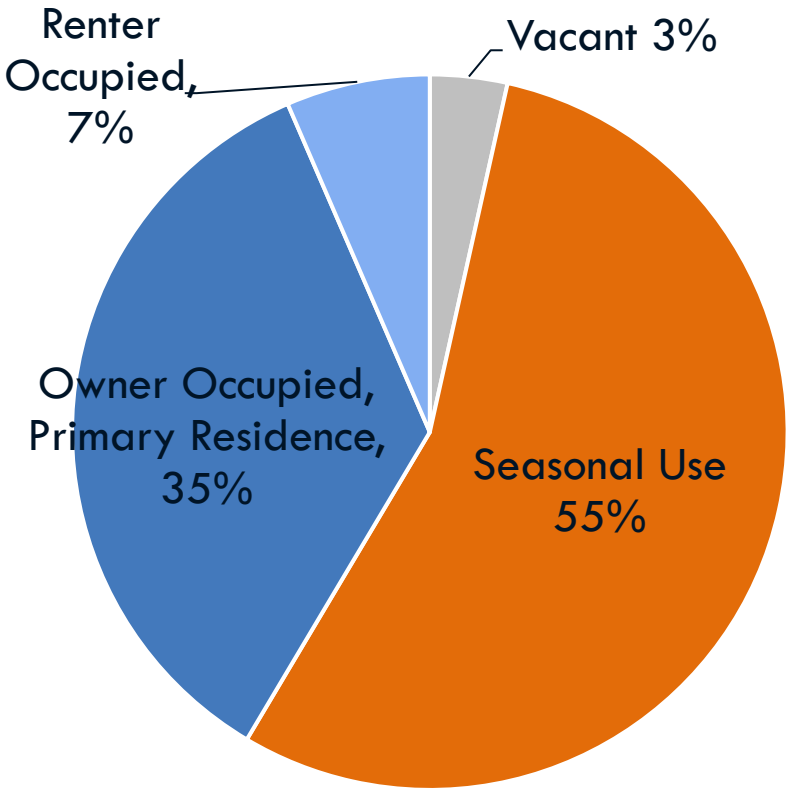
64,245
East Hampton (seasonal)

Annual Seasonal Change in Population in East Hampton and Suffolk County Beach Communities (2013 – 2017)

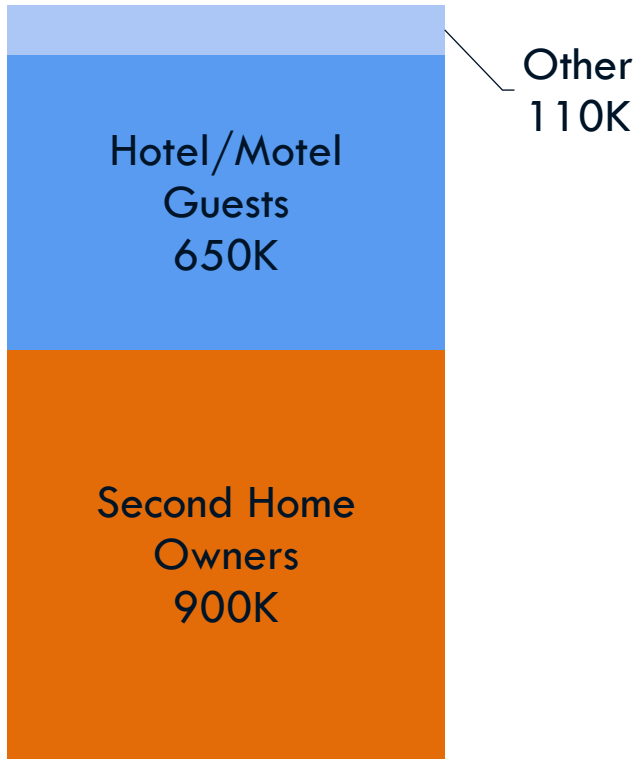
Source: US Census (ACS 2010 - 2019) via ESRI; Suffolk County Planning

Over half (55%) of all housing units in East Hampton are seasonal homes, with second homeowners comprising over half of all annual visits.

Housing Unit Usage in East Hampton (2018)



Per-trip Accommodations of East Hampton Visitors (2017)



Source: Housing Unit Usage: Census ACS (2018); Visitors by Accommodation: RKG Associates, "East Hampton Hamlet Business District Plan – Analysis Findings" (2017)

The Town of East Hampton's permanent population has a similar median income and income distribution to Suffolk County, though this data does not include seasonal residents.

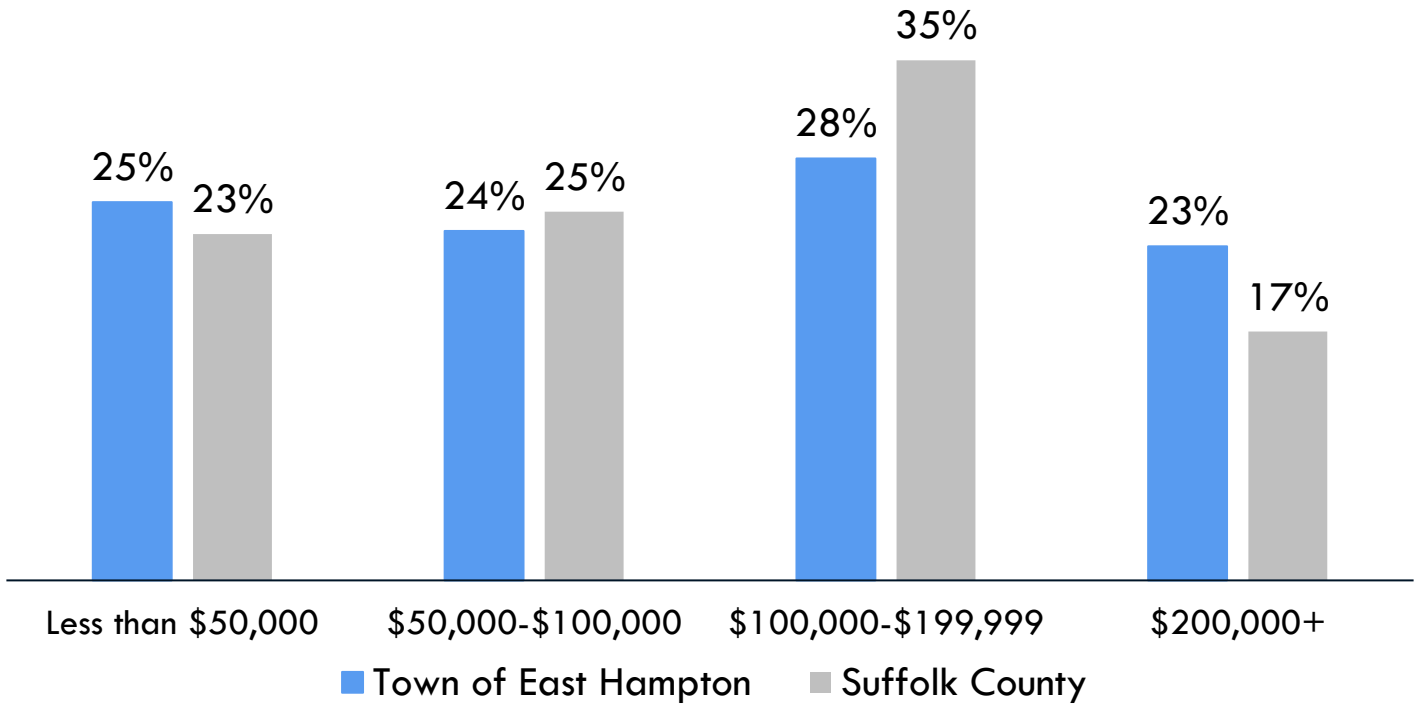
Many news reports indicate seasonal residents are staying longer due to COVID-19, which impacts the overall economic makeup of East Hampton.[2]

Median Income (2018)

$101K
East Hampton

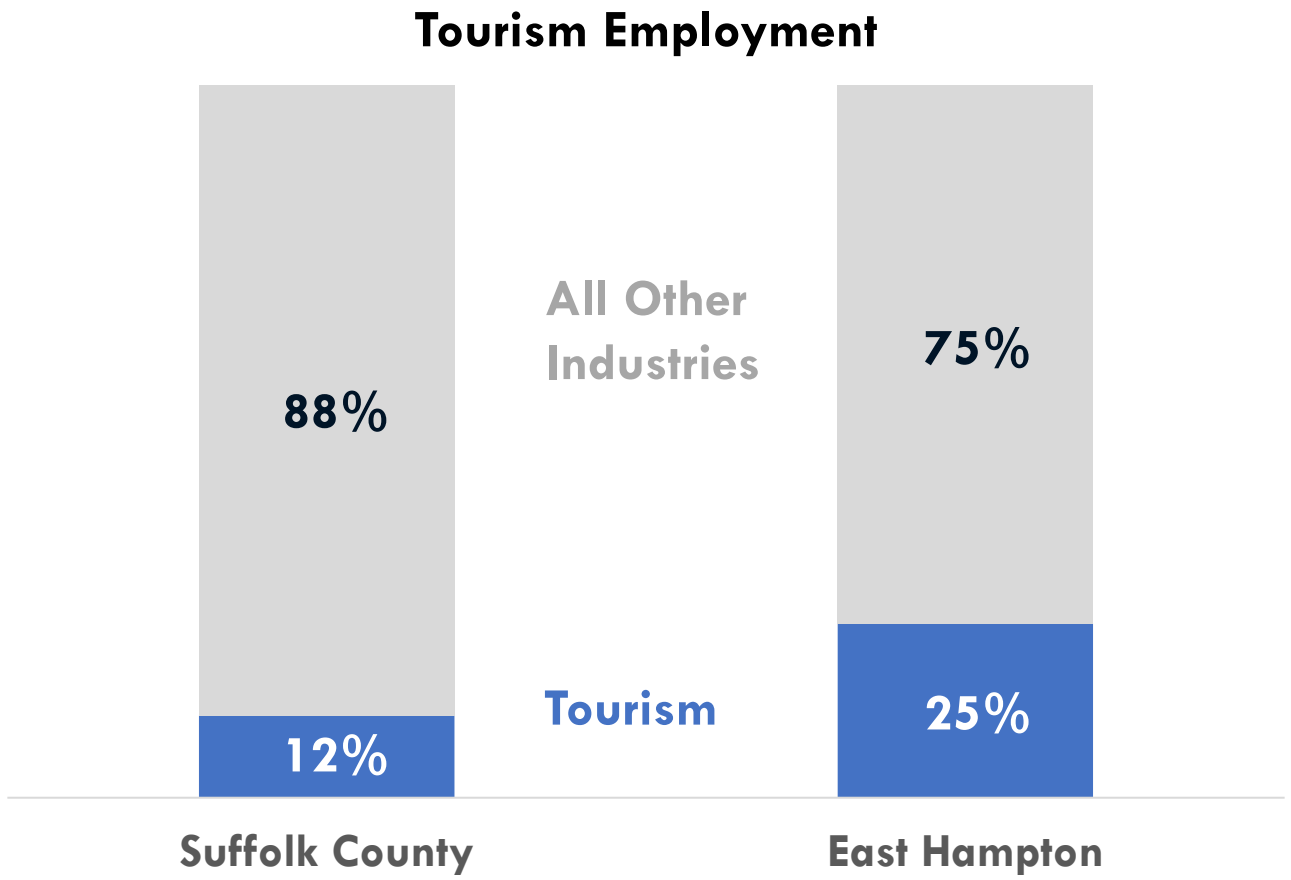
$102K
Suffolk County

Household Income Distribution in East Hampton and Suffolk County (2018)



Source: US Census (ACS 2018) 2-CBSlocal NY, 2020; CNBC, 2020

A quarter of the 12,000 workers employed in East Hampton work in tourism-related industries, compared to just 12% in Suffolk County.



Source: EMSI 2018; Definition of Tourism related industries from the Bureau of Economic Analysis, includes Scenic and Sightseeing Transportation, Performing Arts, Spectator Sports, and Related Industries, Museums, Historical Sites, and Similar Institutions, Amusement, Gambling, and Recreation Industries, Accommodation, Food Services and Drinking Places, Clothing and Clothing Accessories Stores, Miscellaneous Store Retailers, Gasoline Stations, and Air Transportation

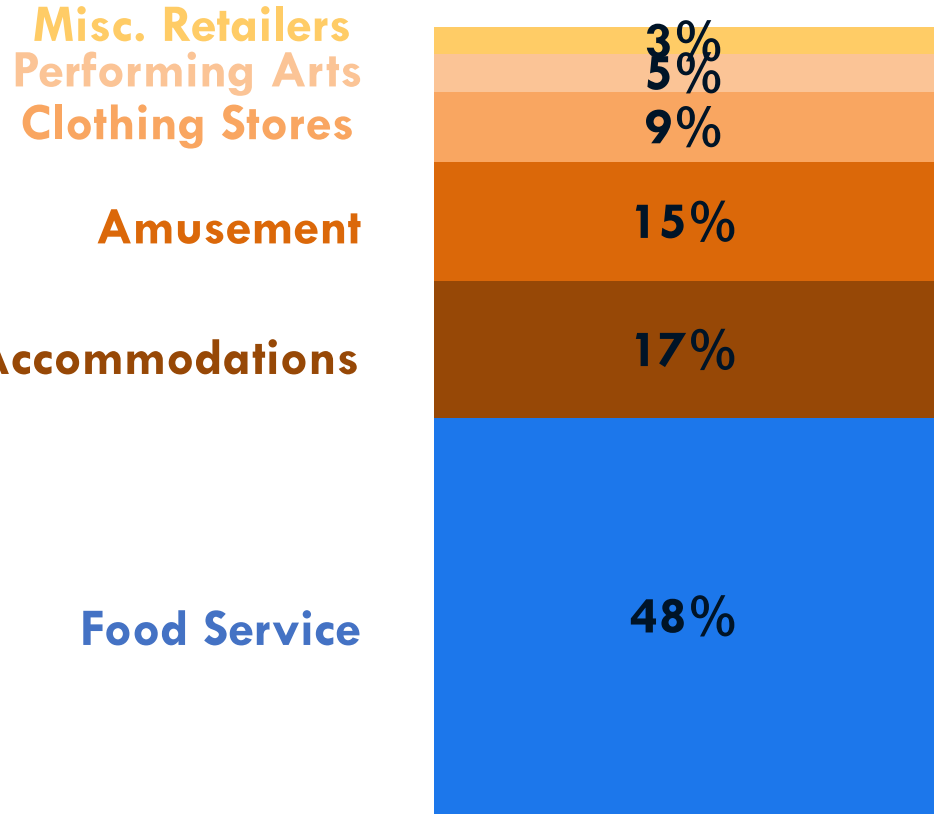
Of the 3,000 workers employed in tourism-related industries, most (65%) work in Accommodations and Food Services.

Average Annual Earnings of Jobs Located in East Hampton (2020)

$37K
Tourism-Related Industries

$56K
All Jobs

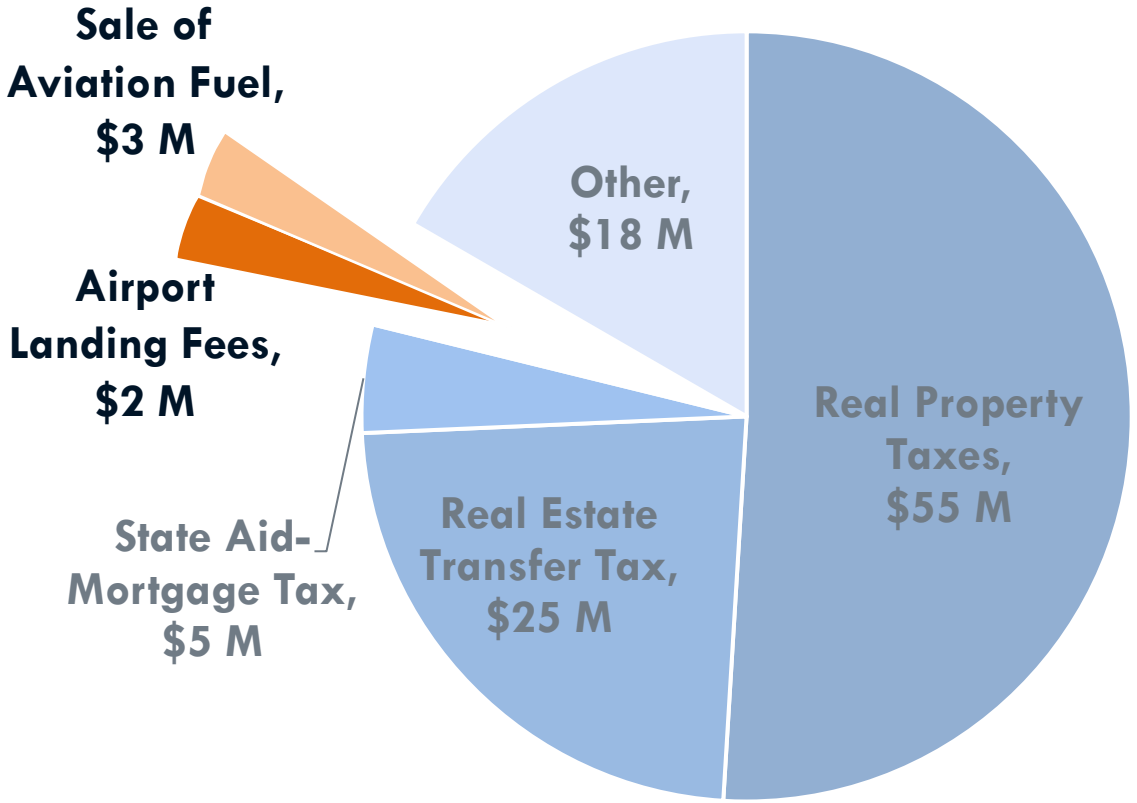
Distribution of Tourism Related Employment



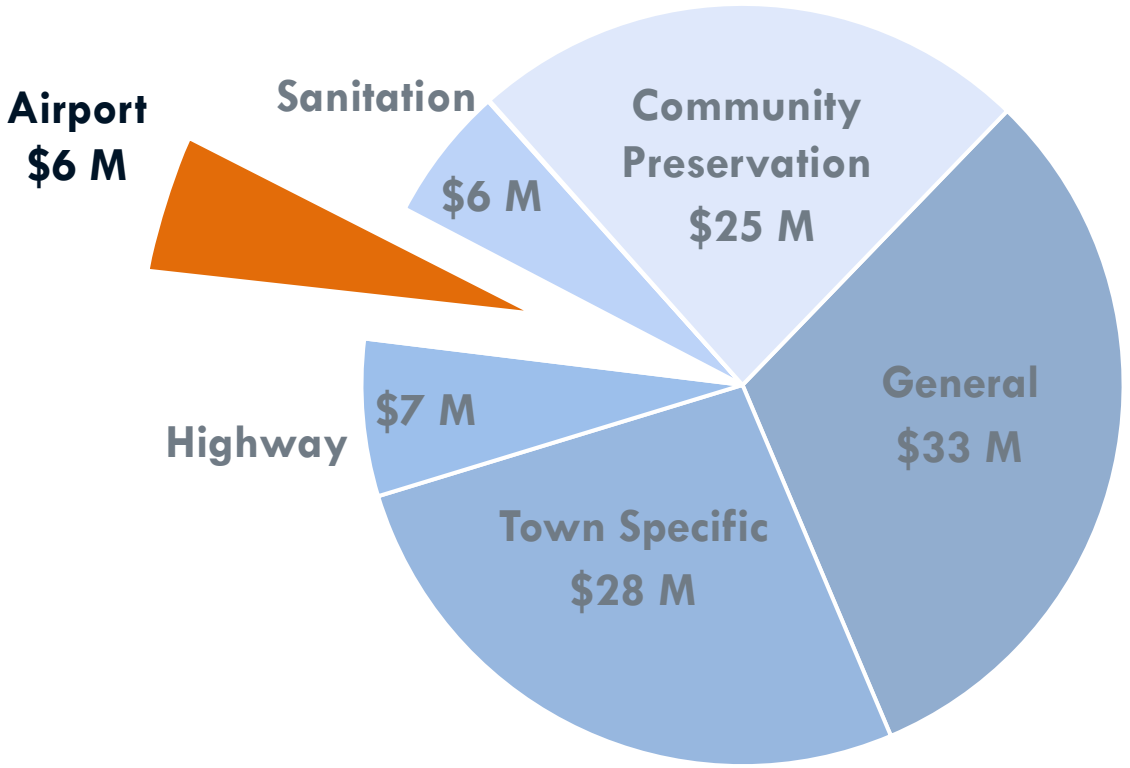
Source: EMSI 2018; Definition of Tourism related industries from the Bureau of Economic Analysis, includes Scenic and Sightseeing Transportation, Performing Arts, Spectator Sports, and Related Industries, Museums, Historical Sites, and Similar Institutions, Amusement, Gambling, and Recreation Industries, Accommodation, Food Services and Drinking Places, Clothing and Clothing Accessories Stores, Miscellaneous Store Retailers, Gasoline Stations, and Air Transportation

More than half of East Hampton's $107M revenue is raised through property taxes. The self-funded airport equates to about 5% of the Town's total expenditures and revenues.

2020 Operating Revenue for the Town of East Hampton



2020 Budgeted Expenditure for the Town of East Hampton



Source: Town of East Hampton Annual Budget (2020)

Tourism, visitor spending, and property taxes are the fundamental drivers of the East Hampton economy.

TOURISM EMPLOYMENT

25% of total Town employment in tourism-oriented industries*

SEASONAL HOMES

55% of housing units are for seasonal use**

SPENDING

46% of total taxable sales in East Hampton were made by tourists and second homeowners*

PROPERTY TAXES

51% of the Town's operating revenue is derived from property taxes

*Derived from third-party study conducted in 2017

** Seasonal Use includes all housing units not occupied full-time regardless of use by owner or as rental property. Seasonal Use excludes hotel and motel inventory. The "East Hampton Hamlet Business District Plan" found that 54% of trips to East Hampton were by second home owners

Source: EMSI 2018; Definition of Tourism related industries from the Bureau of Economic Analysis, includes Scenic and Sightseeing Transportation, Performing Arts, Spectator Sports, and Related Industries, Museums, Historical Sites, and Similar Institutions, Amusement, Gambling, and Recreation Industries, Accommodation, Food Services and Drinking Places, Clothing and Clothing Accessories Stores, Miscellaneous Store Retailers, Gasoline Stations, and Air Transportation. RKG Associates, "East Hampton Hamlet Business District Plan - Analysis Findings" (2017), U.S. Census Bureau (2019)

Introduction

Scenario Evaluation

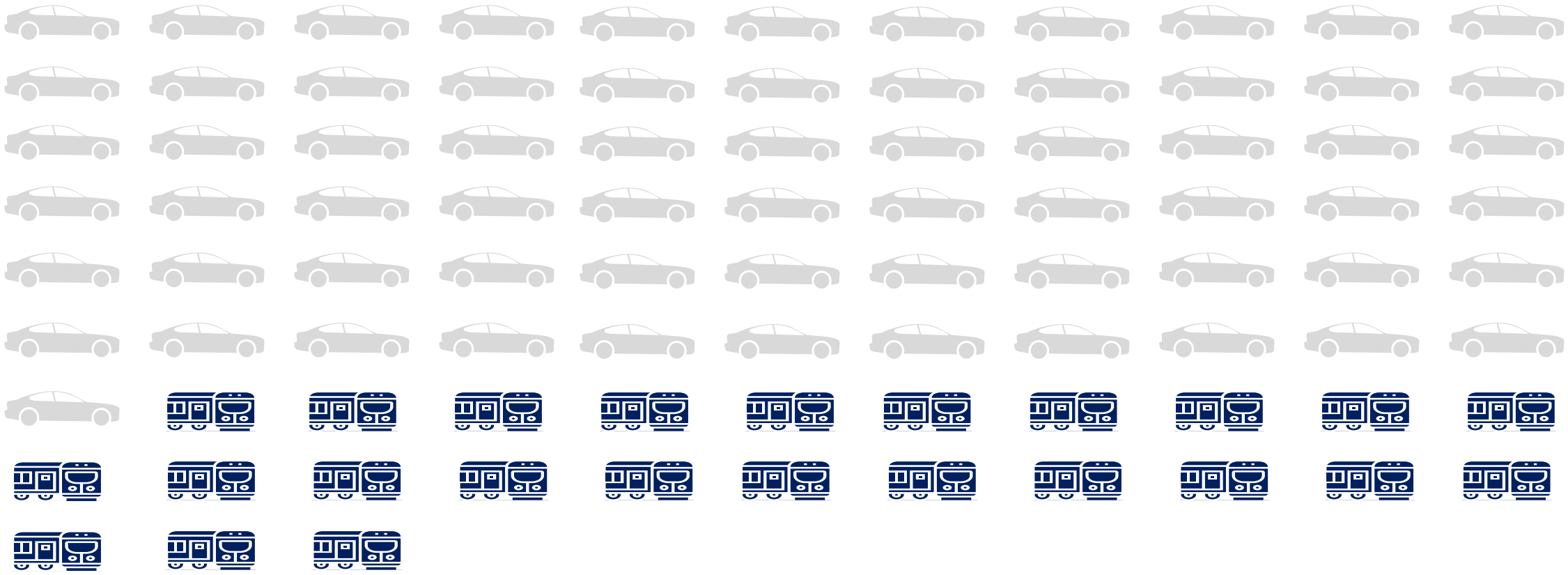
Key Findings

Visitors to East Hampton arrive via a variety of travel modes. Of the roughly 1.7M visitors to East Hampton in 2019, 60% arrived via private automobile.

= 15,000 visitors

Source: RKG Associates, "East Hampton Hamlet Business District Plan – Analysis Findings" (2017); private automobile includes bus companies other than the Hampton Jitney

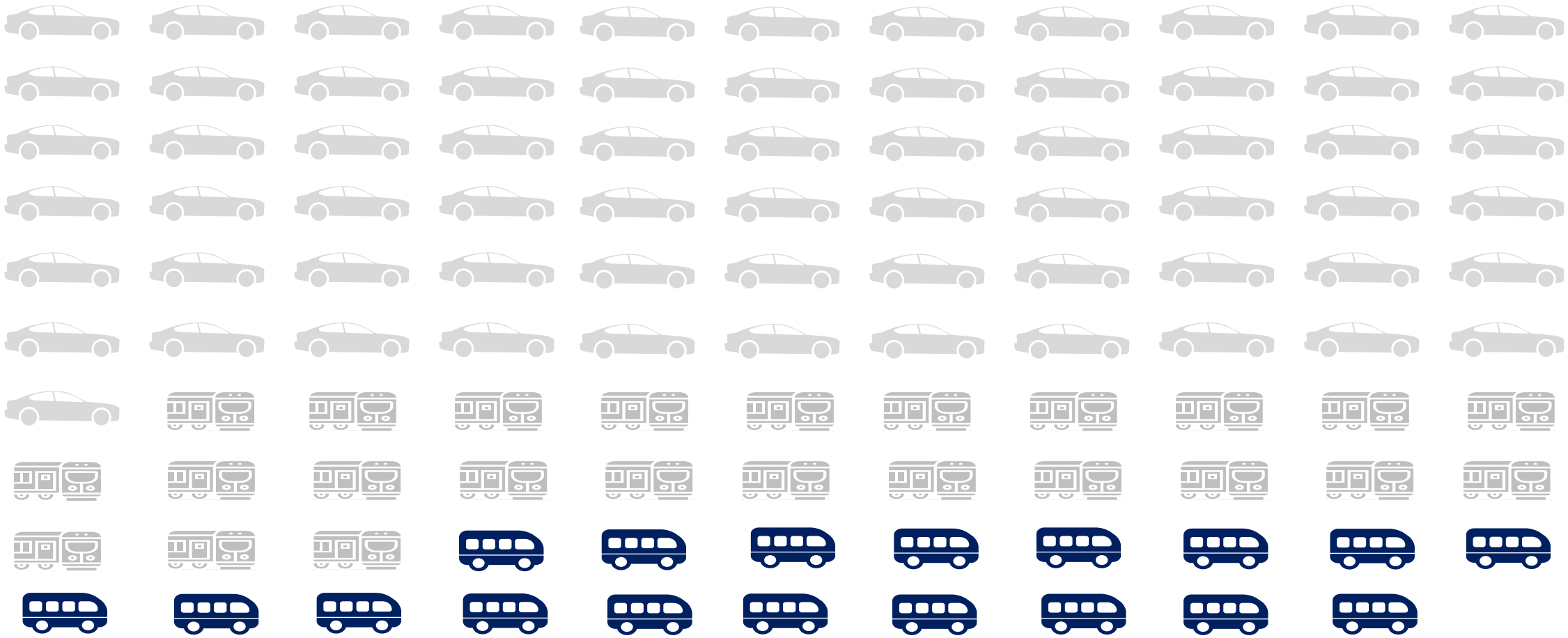
Another 22% arrived using the Long Island Rail Road with stops in East Hampton village, Amagansett, and Montauk.



= 15,000 visitors

Source: RKG Associates, "East Hampton Hamlet Business District Plan – Analysis Findings" (2017); private automobile includes bus companies other than the Hampton Jitney

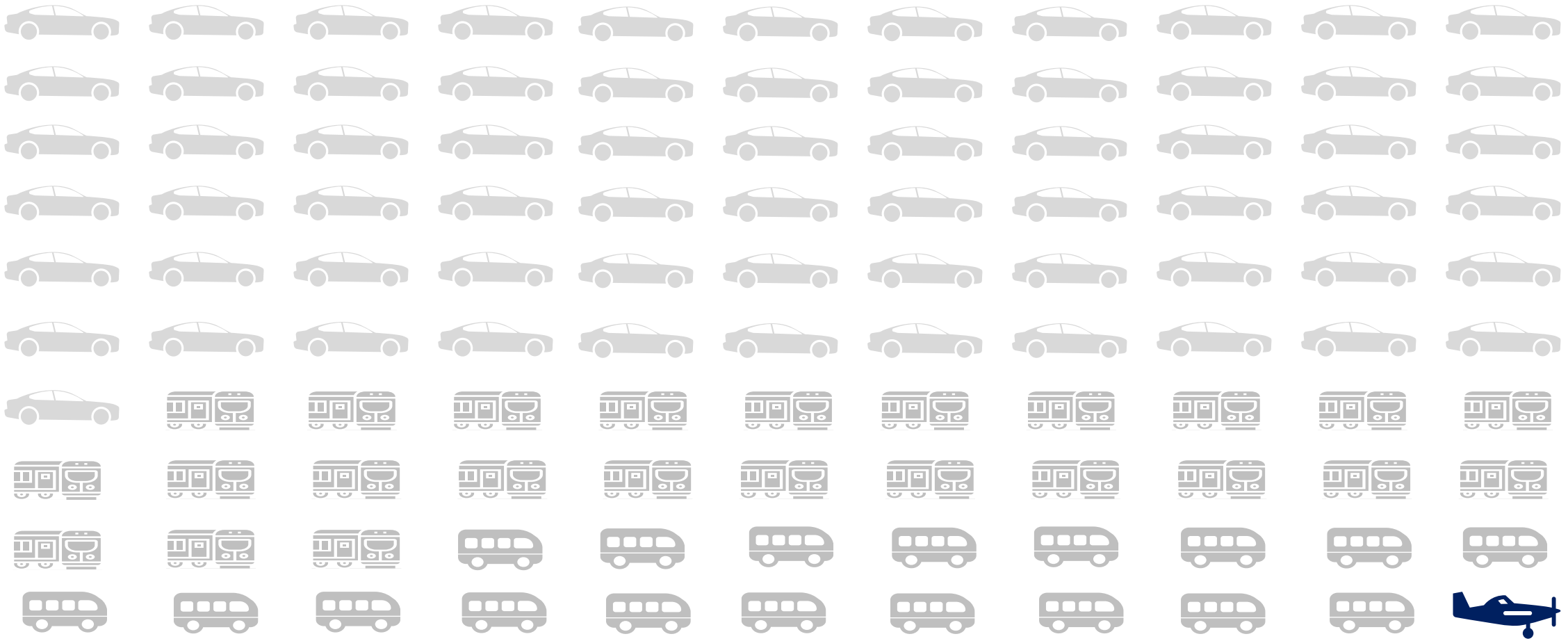
17% arrive using the Hampton Jitney which offers direct service between New York City and the Hamptons.



= 15,000 visitors

Source: RKG Associates, "East Hampton Hamlet Business District Plan – Analysis Findings" (2017); private automobile includes bus companies other than the Hampton Jitney

Less than 1% of visitors to East Hampton arrive through East Hampton Airport.



= 15,000 visitors

Source: RKG Associates, "East Hampton Hamlet Business District Plan – Analysis Findings" (2017); private automobile includes bus companies other than the Hampton Jitney

The Town-owned East Hampton Airport (HTO) provides private aviation services, concentrated during the peak summer season.

Source: HMMH 2019

Airport Overview

- **610** acres of land
- **11K** arriving passenger operations in 2019
- **62%** of operations during the summer season
- **3/5** of HTO passengers stay in East Hampton

In addition to HTO, two airports on eastern Long Island serve commercial air traffic and bring passengers to the region.

Source: FAA Airport Master Record (2019)

HR&A analyzed the economic impact on the Town of East Hampton created by three potential operating scenarios for East Hampton Airport.

1 EXISTING CONDITIONS

Assumes **"typical," pre-COVID (2019) operations**

2 MODIFIED OPERATIONS

Assumes the **elimination of all commercial flights**

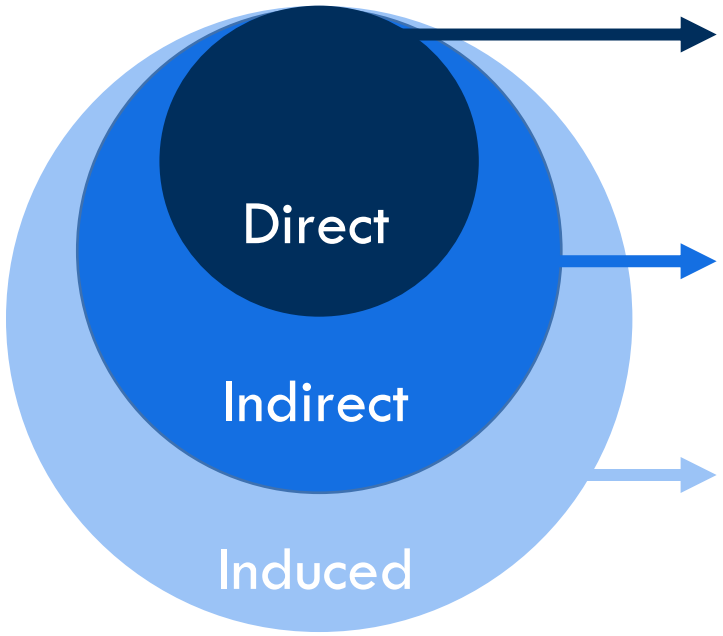
3 PASSIVE USE

Assumes all airport operations are closed and **HTO is repurposed as passive open space**

1 EXISTING CONDITIONS

Assumes “typical,” pre-COVID (2019) operations

HR&A evaluated the Existing Conditions and Modified Operations scenarios econometrically using IMPLAN* software to consider the direct, indirect, and induced impacts of the Airport on the Town.



Effects from spending immediately associated with project
(e.g. construction of a new residential building)

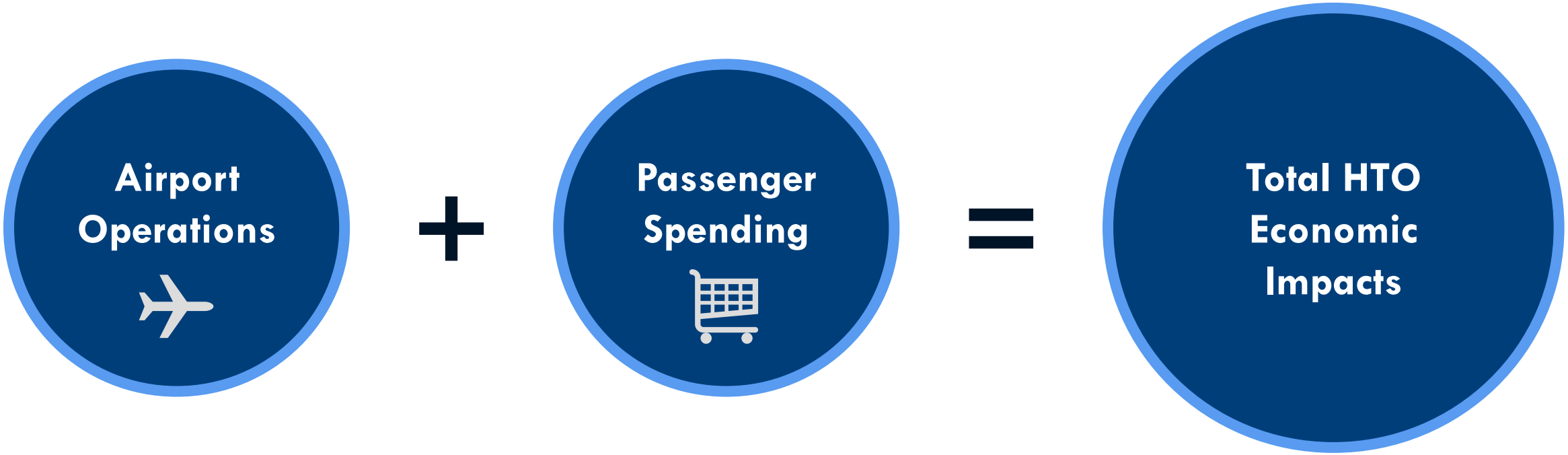
Effects from spending by businesses supplying direct activities
(e.g. construction material suppliers)

Effects from household spending due to income received from direct and indirect activities
(e.g. food and beverage spending by construction workers)

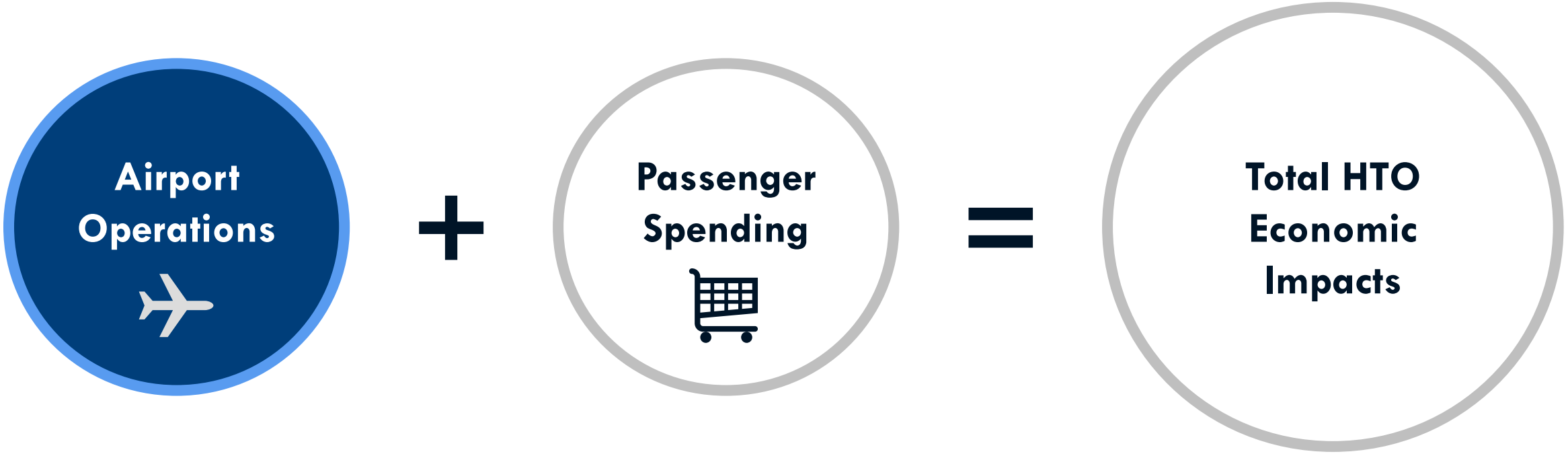
Multiplier effect

HR&A utilized the IMPLAN (Impact Analysis for PLANning) Input-Output Model, developed at the University of Minnesota with the U.S. Forest Service's Land Management Planning Unit. This widely-recognized modeling tool generates estimates of direct economic output as well as indirect employment and output based on a series of inputs. IMPLAN traces the pattern of commodity purchases and sales between industries that are associated with each dollar's worth of a product or service sold to a customer, analyzing interactions among 528 industrial sectors for each region, individual counties or groups of counties, and each state in the nation. IMPLAN is used for the preparation of economic impact analyses by many public and private entities throughout the U.S. The model used for this project utilizes data specific to the Town of East Hampton.

The total economic impact for HTO considered in the Existing Scenario and Modified Use Scenario is generated by a combination of airport operations and passenger spending.



Airport Operations includes the costs incurred on the day-to-day functioning of the airport such as labor, professional services, and fuel.



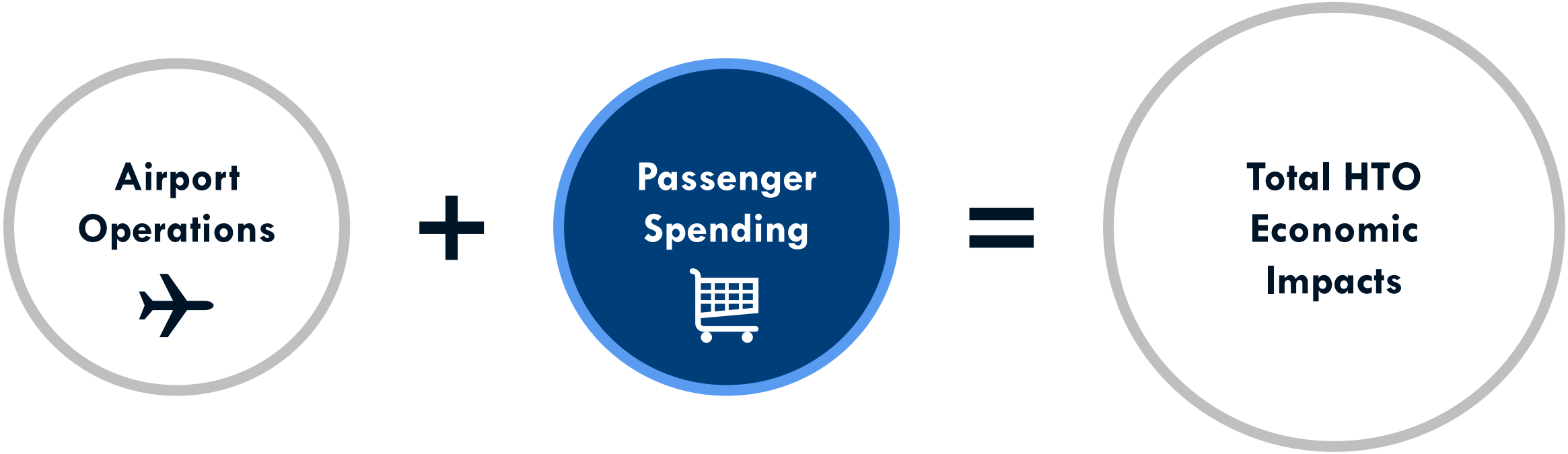
The Airport spent $6.3M on HTO operations in 2019.

East Hampton Town Airport Expenditures (2019)

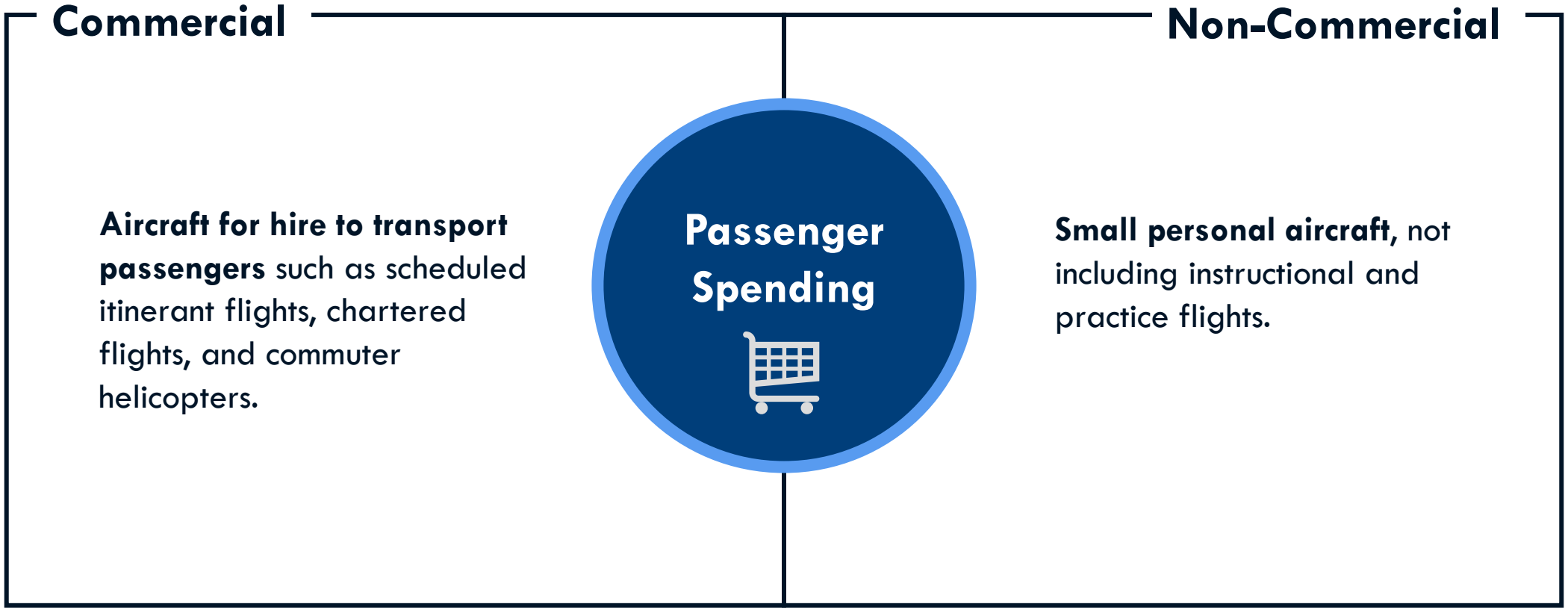
Expenditure Item	Amount	% of Total Expenditures
Aviation Fuel	$2.68M	42%
Outside Professional Services	$1.00M	16%
Subcontract Costs	$836K	13%
Salaries and Benefits	$435K	7%
Airport Landing Fees	$263K	4%
All Other	$1.11M	18%
Total	**$6.32M**	**100%**

Source: Town of East Hampton 2019 Adopted Budget

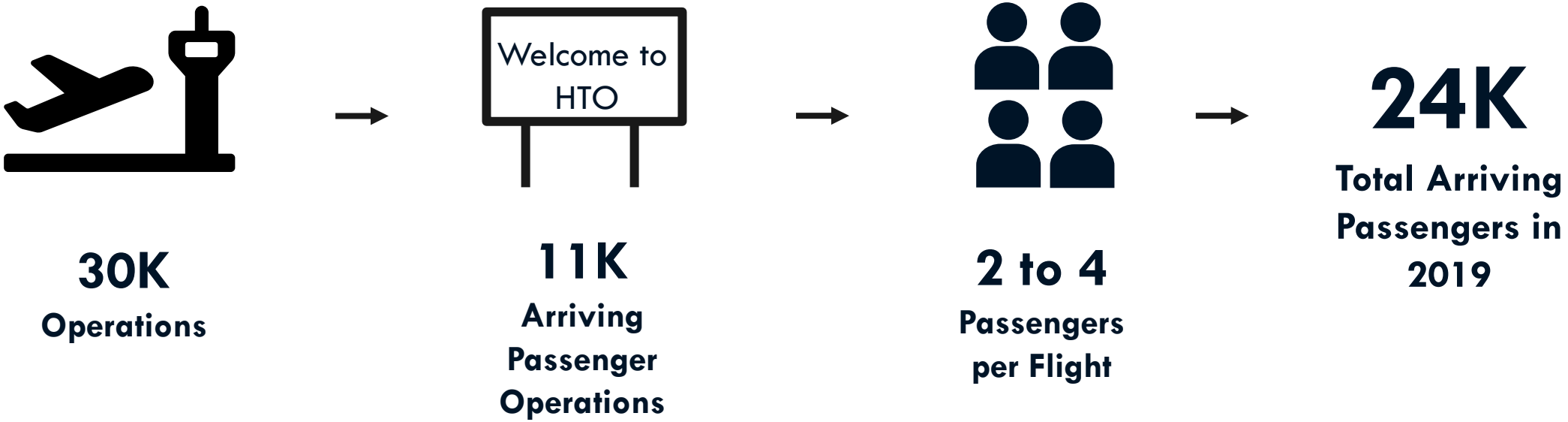
We then considered inputs for airport passenger spending – an important component of HTO's overall economic benefits.



Passenger Spending consists of economic activity created by visitors who travel to the Town via HTO and arrive via Commercial and Non-Commercial aircraft.



We estimate 24,000 arriving passengers to HTO in 2019, applying passenger occupancy ranges for weekday and weekend flights.



Source: HTO Operations data (2019); assumes average Commercial passenger volume of 2 passengers on Weekdays and 4 on Weekends. Non-Commercial assumes average passenger volume of 2. An Operation is an aircraft either taking off or landing at East Hampton airport. Discounts non-commercial flights based on FAA data to remove military and HTO based aircraft.

However, not all passengers arriving at HTO travel to East Hampton. Geolocated cell phone data estimates the share of trips completed within the Town as a proxy for assessing passenger spending at Town businesses.

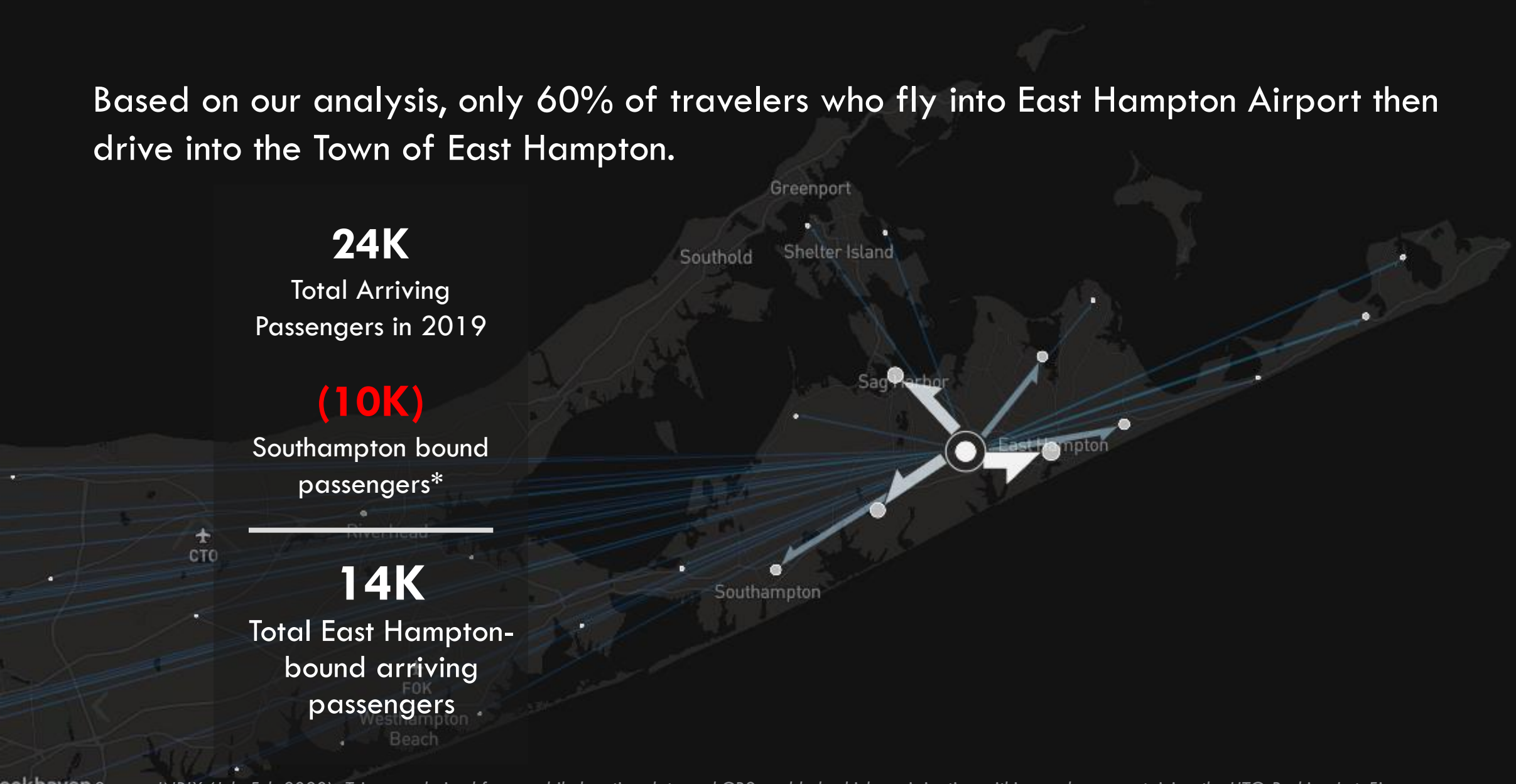
- HR&A utilized **anonymized mobile location data from INRIX, a location-based data and analytics firm** frequently used in transportation planning.
- We started by drawing a polygon around the HTO parking lot. Mobile devices with an observed dwell time within the area longer than 5 minutes were flagged as visitors to the airport.
- Using HTO as the origin, for each unique device ID, **we identified the next location where the device had a dwell time greater than 5-minutes and considered that the end-destination of an airport trip.**

Based on our analysis, only 60% of travelers who fly into East Hampton Airport then drive into the Town of East Hampton.

24K
Total Arriving Passengers in 2019

(10K)
Southampton bound passengers*

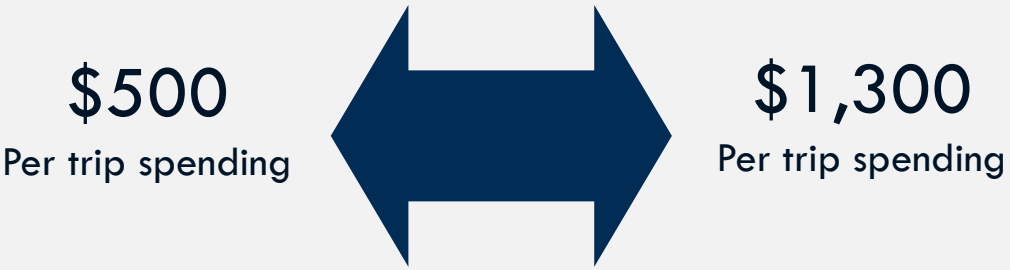
14K
Total East Hampton-bound arriving passengers



Source: INRIX (July-Feb 2020); Trips are derived from mobile location data and GPS enabled vehicles originating within a polygon containing the HTO Parking Lot. Figure conservatively rounded up from 58%.

** Includes passenger bound for Southampton and other points west.*

Airport passengers are likely to spend more per trip than other visitors, ranging from an average per trip spend of $500 to $1,300.



- HR&A reviewed a variety of data sources to approximate the average per trip expenditures of high-income travelers.
- HR&A will need to conduct a passenger survey in the Spring (pending the lifting of COVID restrictions) to obtain more precise data on spending patterns and visitor destinations.

Per-trip spending estimate of around 3-7x visitor spending by wealthy travelers applied to figure of 2019 Taxable Sales by East Hampton visitors; Source: MMGY Research, "Portrait of American Travelers" (2020) spending for luxury travelers; BLS Consumer Expenditure Survey (2018

Passenger spending is distributed among a variety of local business, with Food and Beverage as the leading expenditure category.

39%
Food and Beverage

20%
Accommodations

20%
General Retail

11%
Recreation and Entertainment

9%
Residential Maintenance

Source: RKG Associates, "East Hampton Hamlet Business District Plan – Analysis Findings" (2017)

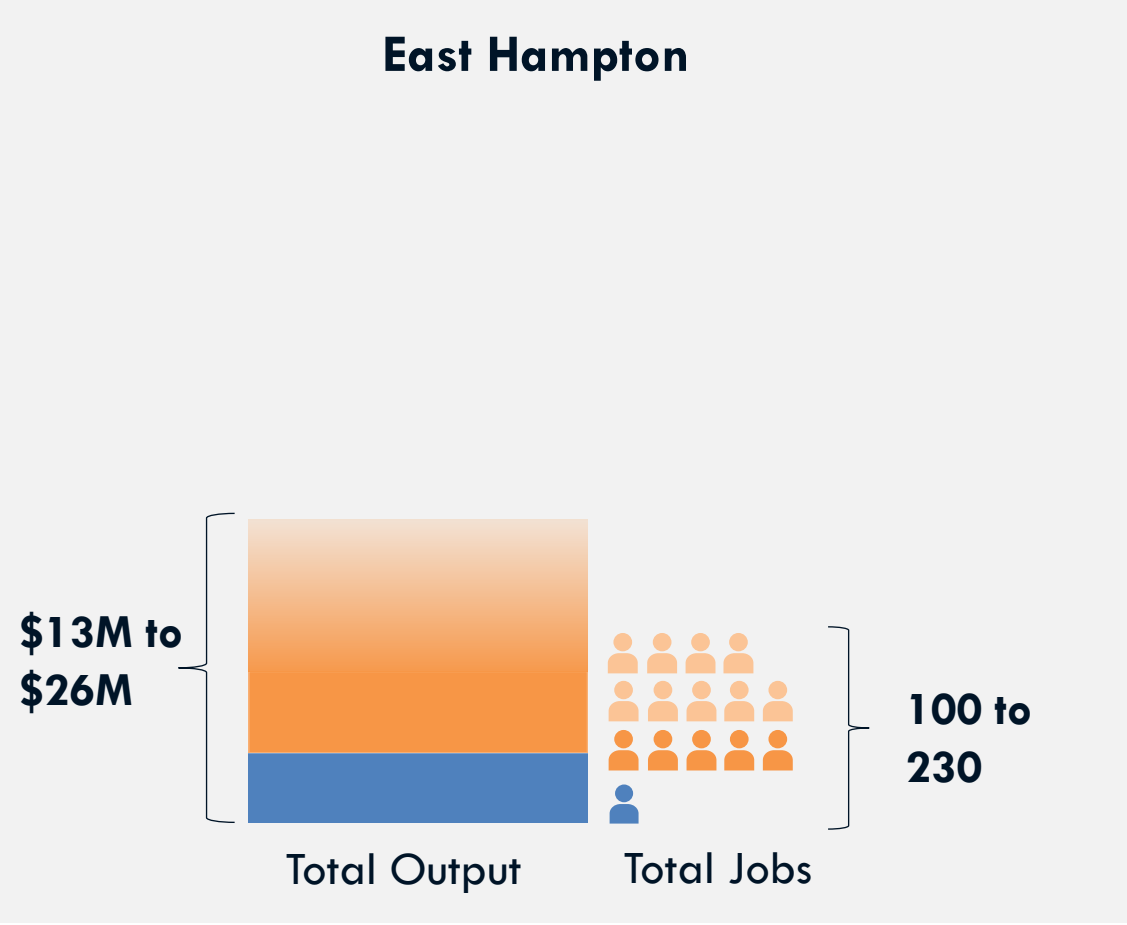
When extrapolated to all airport visitors, HTO passengers' estimated spending represents between 1 to 3% of the Town's taxable sales.

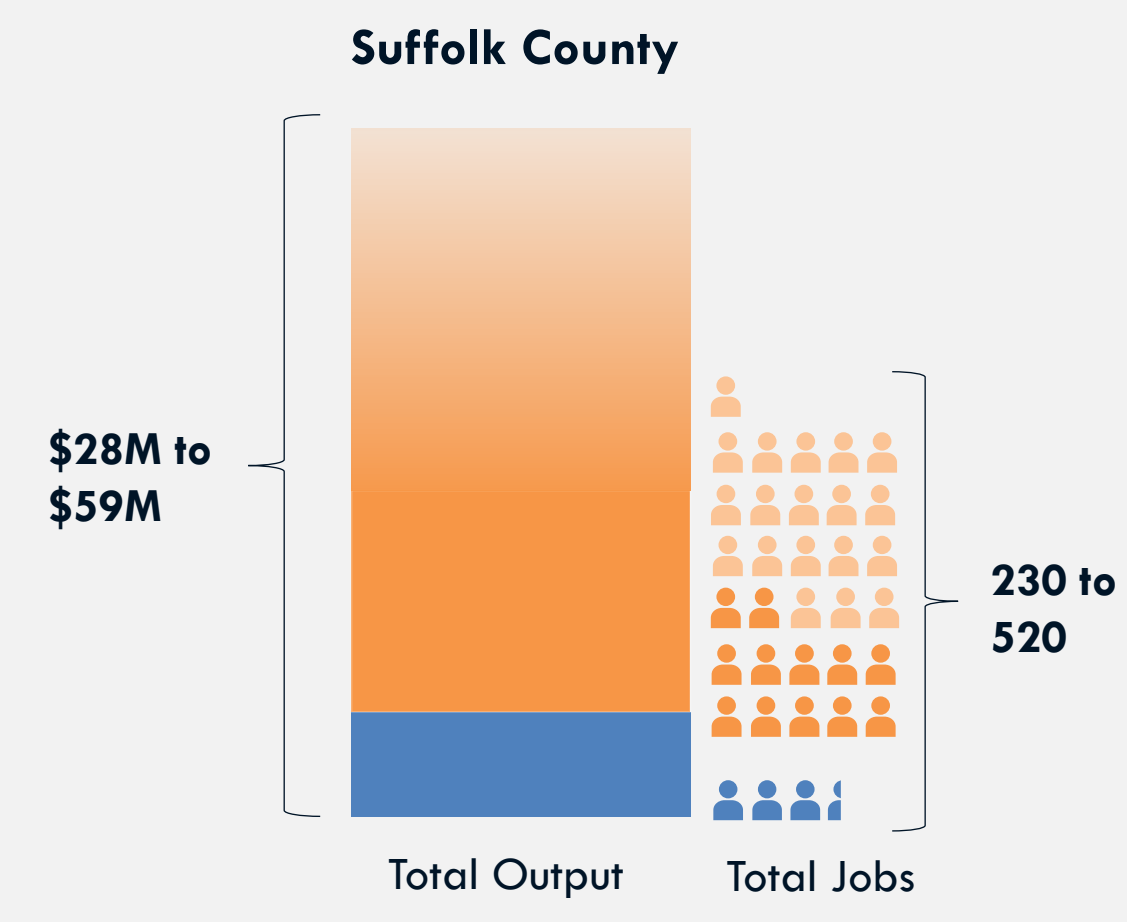
$7M to $20M

Direct visitor spending

Source: MMGY Research, "Portrait of American Travelers" (2020) spending for luxury travelers; BLS Consumer Expenditure Survey (2018)

We then combine the airport operations and passenger spending effects to determine the total current economic impacts of HTO on the Town and County.



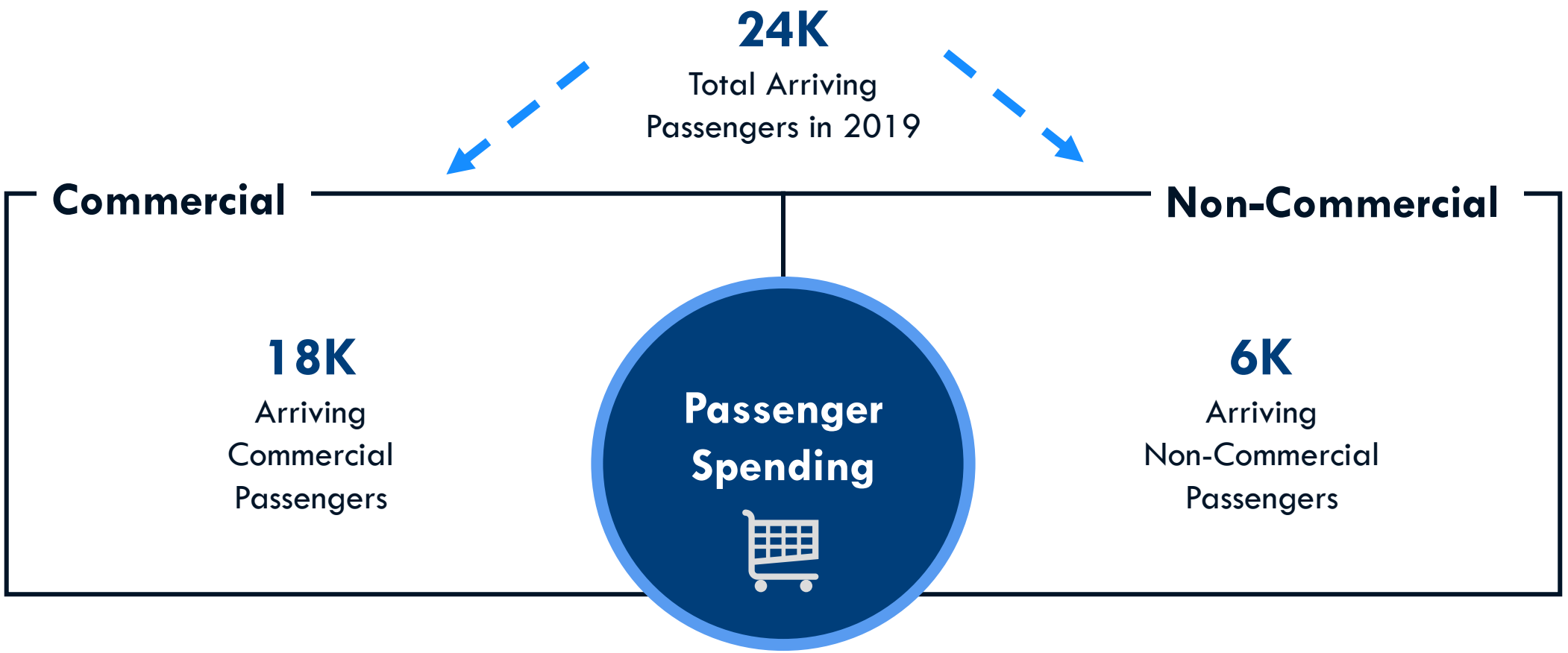


Airport Operations Passenger Spending 15 Jobs (FTE)

2 MODIFIED OPERATIONS

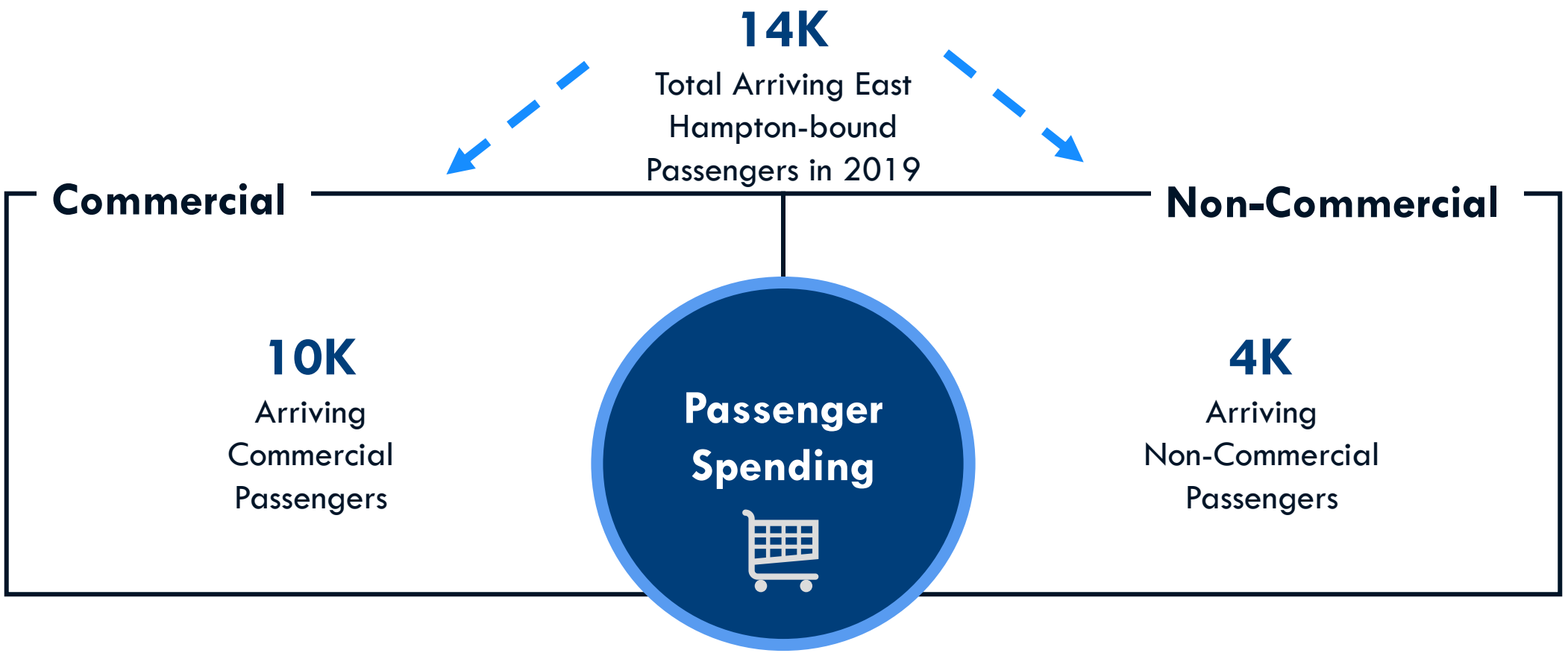
Assumes the elimination of all commercial flights

Most passengers (or 75%) fly into HTO via Commercial aircraft.



Source: HTO Operations data (2019); assumes average Commercial passenger volume of 2 passengers on Weekdays and 4 on Weekends. Non-Commercial assumes average passenger volume of 2.

When discounting for the 40% who then travel out of East Hampton, roughly 4,000 passengers travel via Non-Commercial aircraft



Source: HTO Operations data (2019); assumes average Commercial passenger volume of 2 passengers on Weekdays and 4 on Weekends. Non-Commercial assumes average passenger volume of 2.

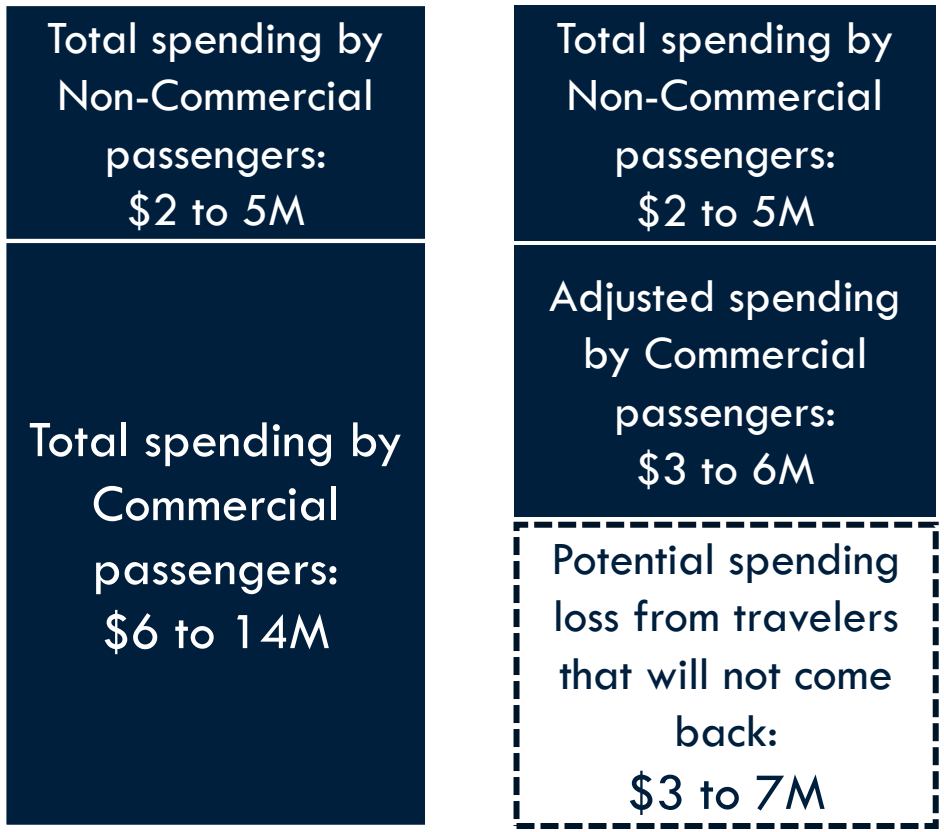
In the Modified Scenario, we consider the economic impact of HTO on the Town if the Airport was reserved for Non-Commercial Aircraft only.

When applying our passenger spending assumptions, this translates to roughly $2 to $5M.

However, not all spending by Commercial aircraft passengers would disappear.

Source: HTO Passenger Survey

Per the 2019 passenger survey, nearly half of current HTO passengers would continue to visit their destinations via another mode of transportation (car, rail, etc.).

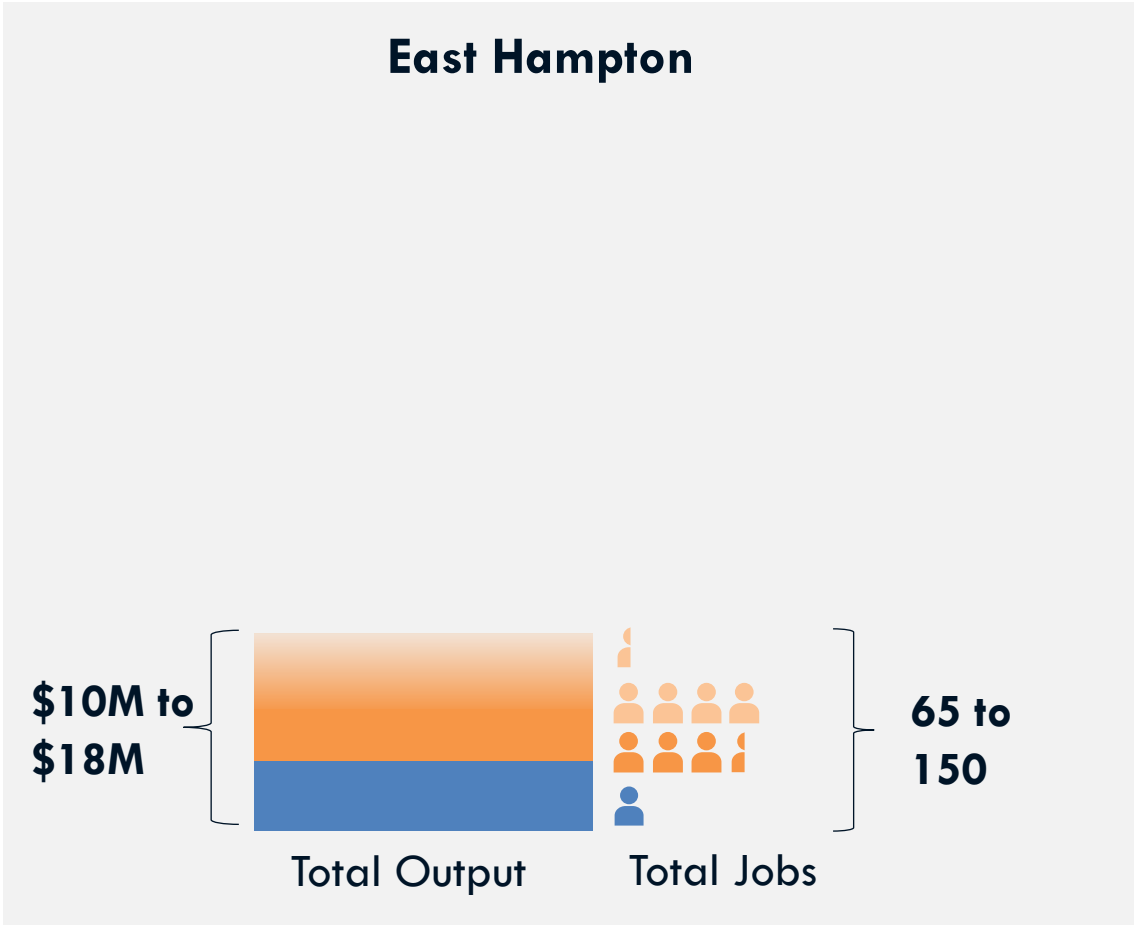


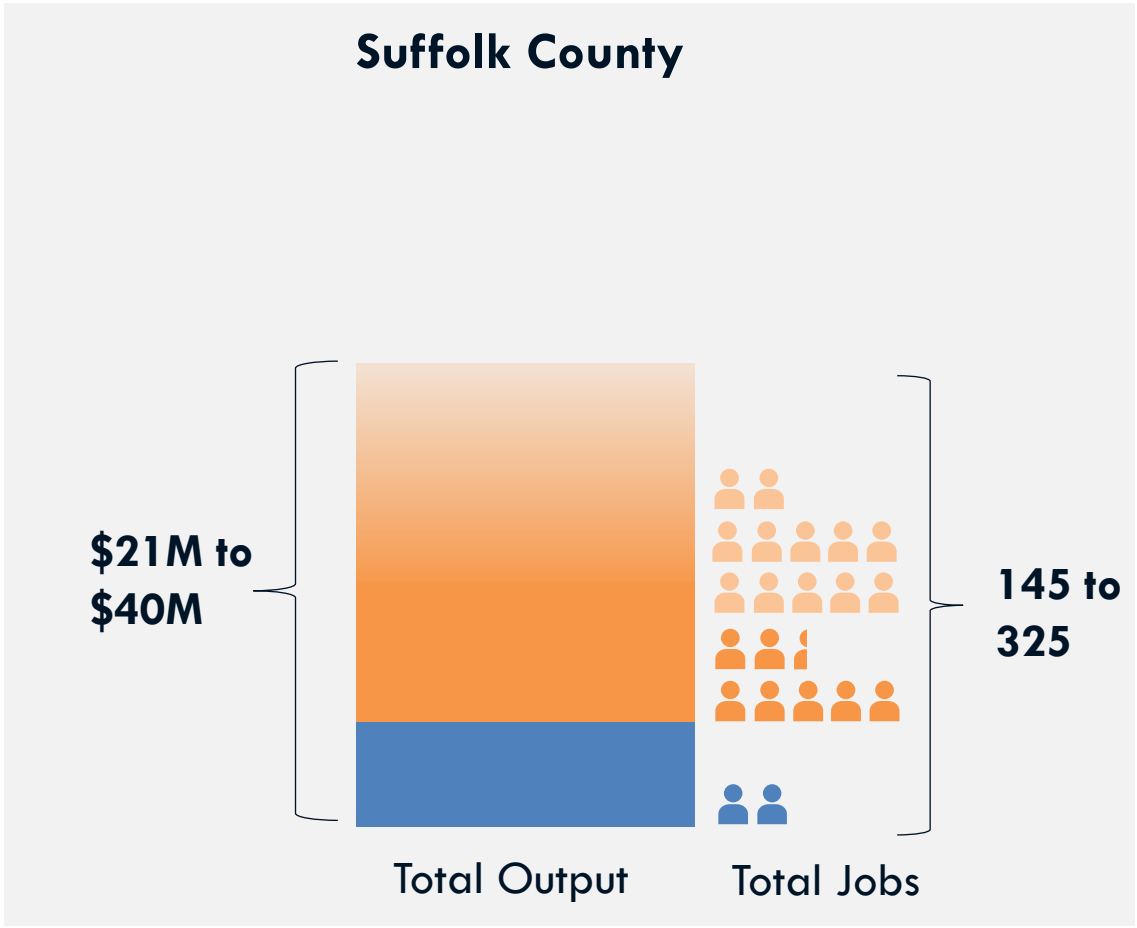
- 48%* of current visitors using HTO would continue to visit East Hampton if they weren't able to arrive by aircraft.
- If none of the former visitors are replaced, visitor spending would be reduced by $3M to $7M.

*48% includes the weighted average of responses from regular passengers who visit more than twice during the peak summer months, and all others.

Source: HTO Passenger Survey

The Modified Operations scenario still present economic benefits to the Town and County, but to a lesser degree than existing HTO operations.





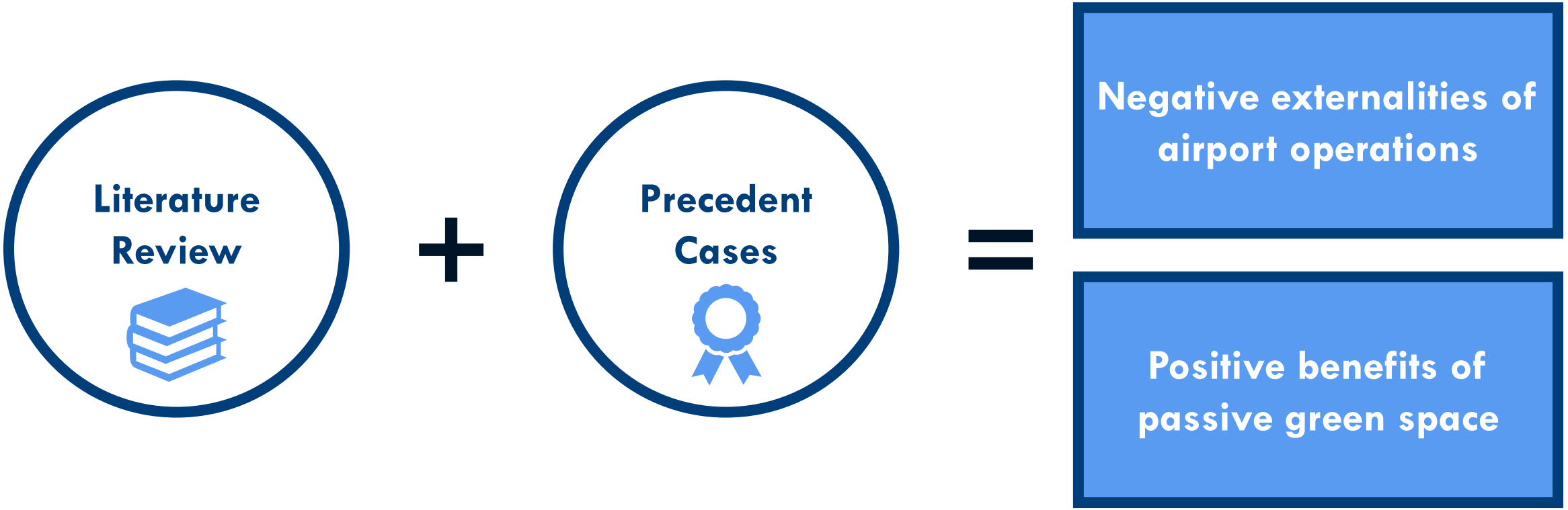
Airport Operations Passenger Spending 15 Jobs (FTE)

3

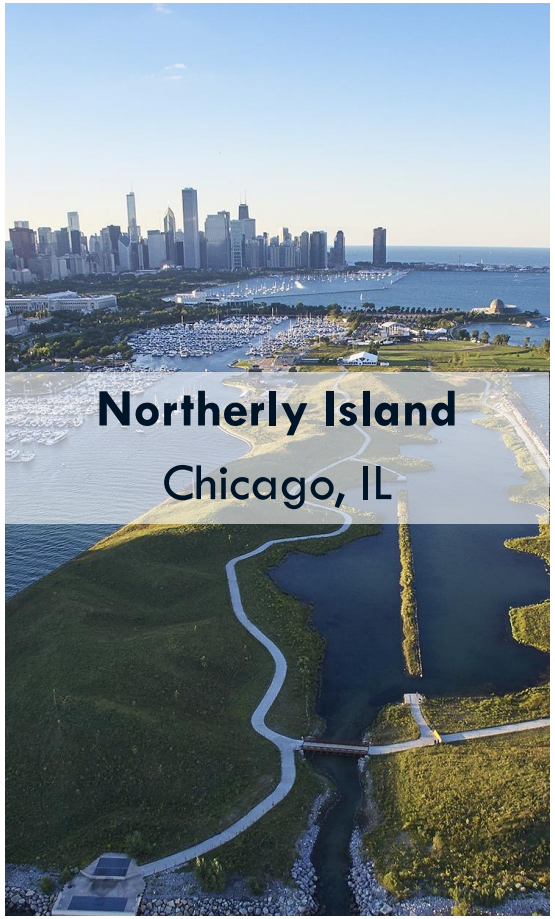
PASSIVE USE

Assumes all airport operations are closed and HTO is repurposed as passive open space

HR&A considered the negative and positive externalities of the Passive Use scenario through literature review and qualitative information sourced from precedent cases.



In the United States, there are few precedents for successfully converting an airport to green space.



These passive use conversions encompass a broad variety of park typologies and programmatic elements and provide well-documented quality of life improvements for the surrounding community.

Martha Lake Park

Martha Lake, WA

Neighborhood Park

29 acres

Picnic shelter, sport fields, skate park

Northerly Island

Chicago, IL

Unique Asset

91 acres

Strolling paths, art installations, casual play areas

Mile Square Park

Fountain Valley, CA

Recreational Park

640 acres

Golf sports fields, playgrounds, walking paths, group area

Central Park

Denver, CO

Metro/Regional Park

1,100 acres

Playground, lakes, natural area, and walking paths

Outside of Seattle in suburban Washington, County leaders successfully supported the transition of a family-owned, private airport into Martha Lake Park.

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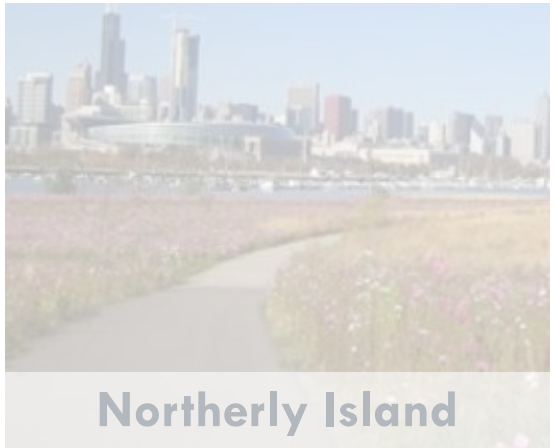
Picnic shelter, sport fields, skate park



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1,100 acres

Playground, lakes, natural area, and walking paths

Martha Lake Park, located in suburban Washington, includes community assets like a skate park, baseball diamond, and picnic tables.

Source: Snohomish County, Washington (2020)

Martha Lake Airport

- Small, private airport in suburban Washington
- Operational from 1950s to 1990s

Conversion to Passive Use

- Family sold the land to the County, despite offers from developers
- 10-year master planning, design, and construction process
- Construction debt financed through future park mitigation fees and real estate excise tax

Following the controversial closure of Meigs Field Airport, Northerly Island largely remains a passive landscape.

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The Chicago Park District is currently executing a visionary and ambitious plan for Northerly Island, with planned activation.

Source: Chicago Tribune (2013); Chicago Park District

Meigs Field Airport

- Busiest single strip airport in the US
- Operational from 1948 to 2003

Conversion to Passive Use

- Chicago Park District refused to renew the airport's lease in 1996
- City controversially shut down the airport, against the FAA's instruction
- Slow, staged redevelopment process

In southern Orange County, California, county-level champions successfully advocated to convert a former airfield into the regional Mile Square Park.

Martha Lake Park

Martha Lake, WA

Neighborhood Park

29 acres

Picnic shelter, sport fields, skate park

Northerly Island

Chicago, IL

Unique Asset

91 acres

Strolling paths, art installations, casual play areas

Mile Square Park

Fountain Valley, CA

Recreational Park

640 acres

Golf sports fields, playgrounds, walking paths, group area

Central Park

Denver, CO

Metro/Regional Park

1,100 acres

Playground, lakes, natural area, and walking paths

The County developed the park through decades-long phased implementation and is currently designing options to repurpose a 93-acre golf course.

Source: Orange County Parks (2020); Los Angeles Times (2019)

US Navy and Marine Corps Landing

- Military airfields, air station, and air base facilities
- Operational from 1942 to 1974

Conversion to Passive Use

- County developed Master Plan of Regional Parks in 1960s and identified the airfields as an ideal park site
- County entered long-term lease with the Navy, eventually receiving title through Federal Legacy Parks program
- Phased construction and opening from 1970 through 1999

Following the closure of Stapleton Airport, a public-private partnership among Denver stakeholder groups implemented the transformation into a mixed-use neighborhood.

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In addition to 1,100 acres of parks and open space, the Stapleton Neighborhood will boast over 12,000 residential units, 3.9M SF of retail, and 10M SF of office space.

Source: Denver Urban Renewal Authority (2019); The Denver Chanel (2020)

Stapleton Airport

- Commercial international airport
- Operational from 1929 to 1995

Conversion to Passive Use

- Denver International Airport completed construction in 1995, replacing the at-capacity Stapleton Airport
- Stapleton Development Plan approved by Denver City Councill in 1995
- Master developer solicitation and eventual mixed-use neighborhood plan

We analyze the economic, community, and environmental impacts of the East Hampton Airport site, both as current airport operations and as passive reuse.

ECONOMY

Home value, spending, attraction and retention

COMMUNITY

Noise, quality of life, physical health, and use as a social destination

ENVIRONMENT

Water quality and stormwater management, pollution reduction, and wildlife habitat

Passive use at the site could provide wide-ranging benefits, including a potential increase in nearby real estate values.

ECONOMY

Home value, spending, attraction and retention

COMMUNITY

Noise, quality of life, physical health, and use as a social destination

ENVIRONMENT

Water quality and stormwater management, pollution reduction, and wildlife habitat

Depending on the typology, the scale of park development can range from heavy capital investment to light environmental upkeep.

Metro/Regional Parks

Downtown Gems

Community/ Neighborhood Parks

Unique Assets

Recreation Centers

Golf Courses & Tennis Courts

Linear Parks / Trails

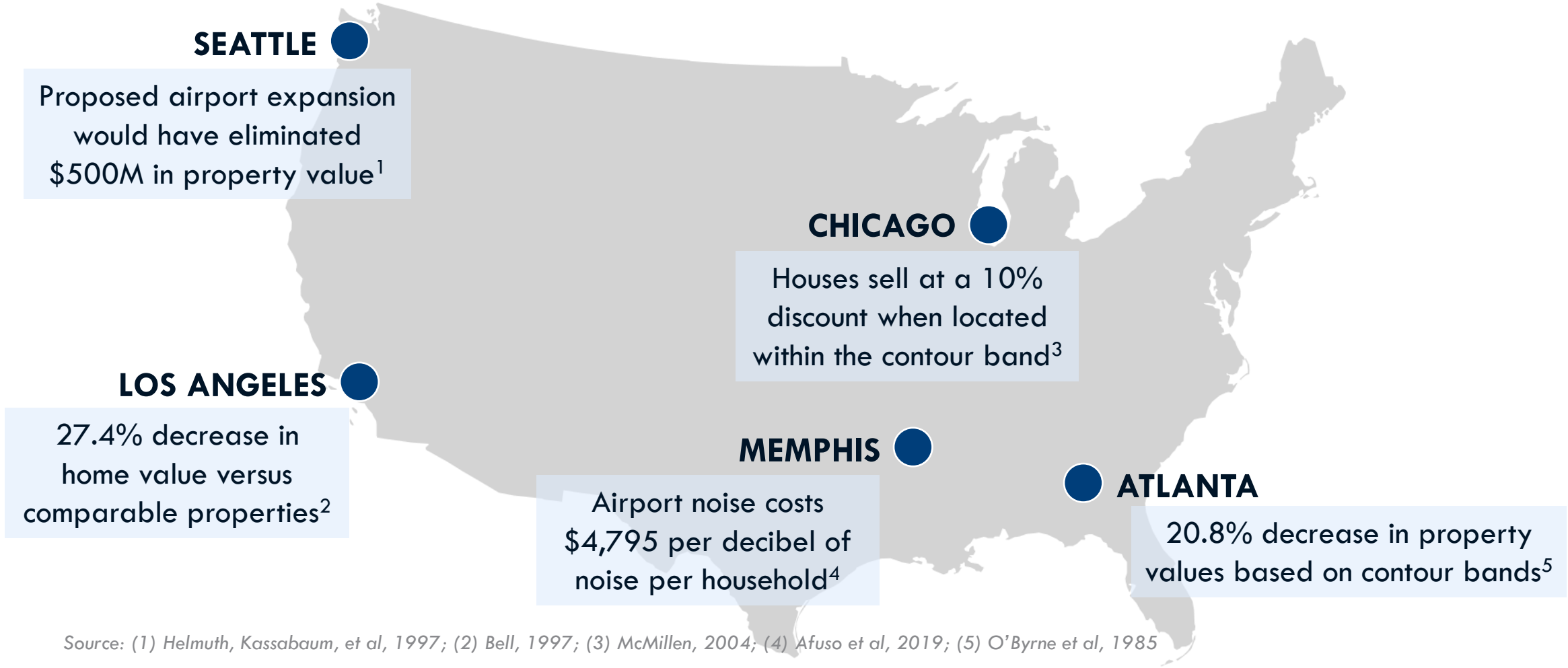
Natural Areas

Different parks and open space resources can provide a range of benefits – from increasing real estate values to providing measurable environmental improvements.

Typology	Real Estate	Environment	Tourism	Local Spending	City Building
Metro / Regional Parks	✓	✓			
Community / Neighborhood Parks	✓	✓			✓
Unique Assets			✓	✓	
Linear Parks / Trails	✓	✓			✓
Natural Areas	✓	✓			

Note: Table is illustrative to show overall benefit categories; actual park value varies for a number of factors external to typology, including geography, maintenance, and programming.

Studies have shown that proximity to airports corresponds to decreased property value.



Source: (1) Helmuth, Kassabaum, et al, 1997; (2) Bell, 1997; (3) McMillen, 2004; (4) Afuso et al, 2019; (5) O'Byrne et al, 1985

In contrast, studies illustrate that proximity to open space creates a real estate premium and increases property values regardless of park typology.

MAJOR PARKS

The completed investments in New York City's Central Park famously **doubled the property values** around the park within 15 years.[1]

Condo resale prices along the Toronto Waterfront resulted in a **5% premium** over an eight-year period.[2]

TRAIL NETWORKS

Residential property values along Katy Trail in Dallas, Texas increased **25%** within seven years.[2]

Austin, Texas saw a **12% premium** in home value increase along the Barton Creek Greenbelt within two years of its investment.[2]

NATURAL AREAS

A study in Portland, Oregon found that homes located within 1,500 feet of a natural area park **raises the home's value by 1%.**[3]

Source: (1) Lutzenhiser & Neutsil, 2001; (2) HR&A Advisors; (3) Neighborhood Open Space Coalition, 1990

The reduction in airport-generated noise combined with new open space would improve the Town's quality of life and provide other broad benefits.

ECONOMY

Home value, spending, attraction and retention

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Water quality and stormwater management, pollution reduction, and wildlife habitat

Community members have filed thousands of noise complaints against the airport for disrupting the quiet, rural environment.

HTO received **47,000 noise complaints** from residents in 2019.[1]

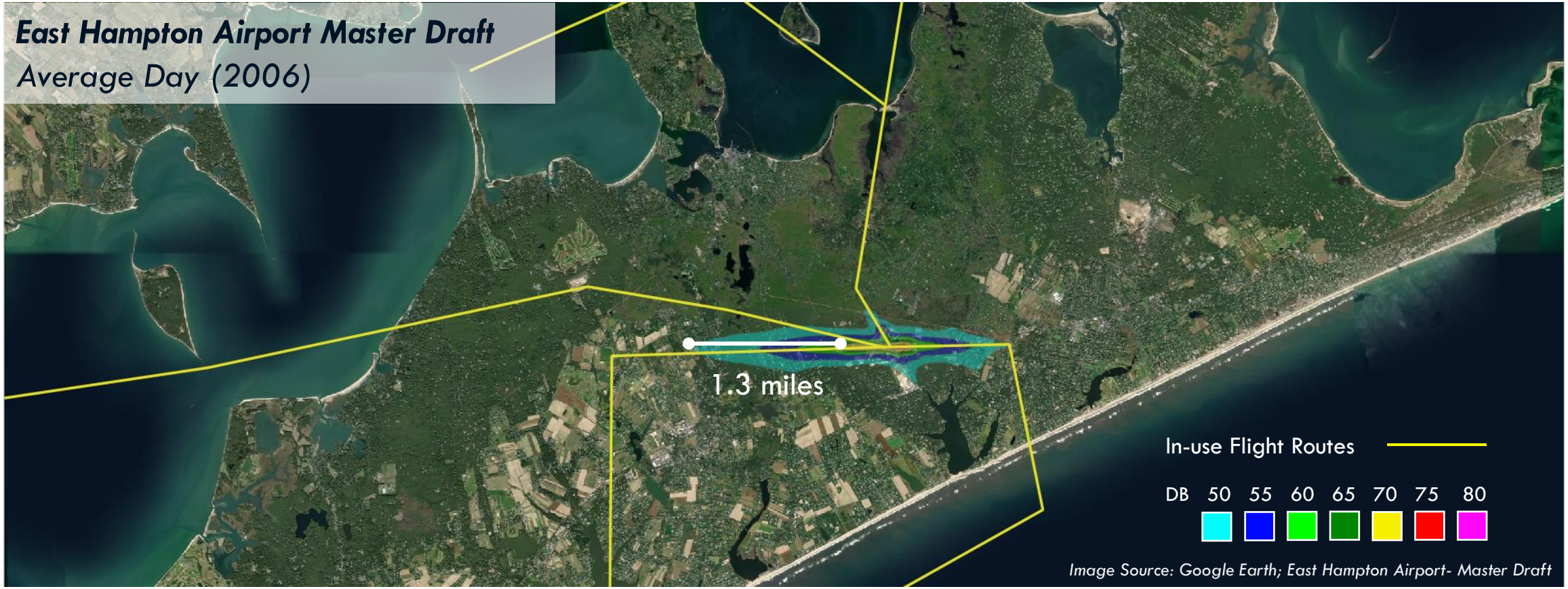
Noise pollution is created in airports by:

- The takeoff and landing of airplanes
- Auxiliary noise from airport operations

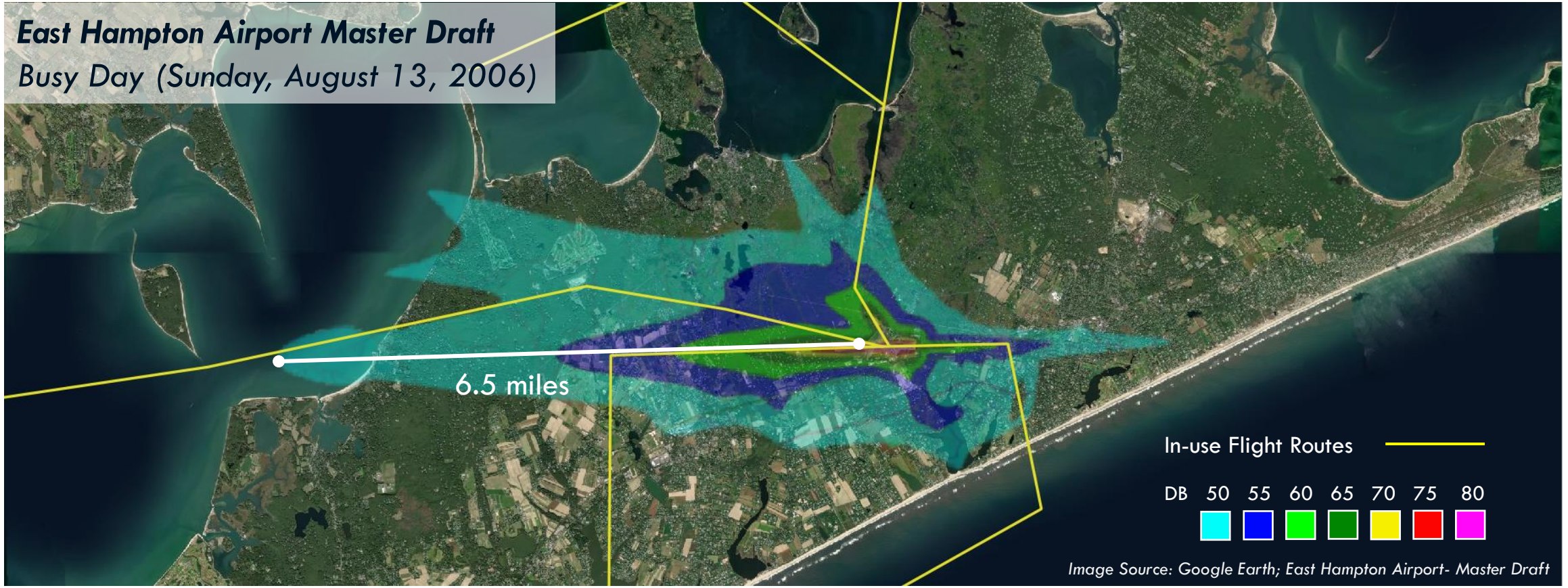
At HTO, **helicopters** are the leading source of noise complaints.[2]

Sources:
1,2-Walsh, 2020

On an average day, the noise from East Hampton Airport is mostly confined to HTO and the immediately adjacent neighborhood.



On a busy summer day, aircraft noise can impact a considerably larger area with noise levels reaching 65 dB in the neighborhoods surrounding HTO.



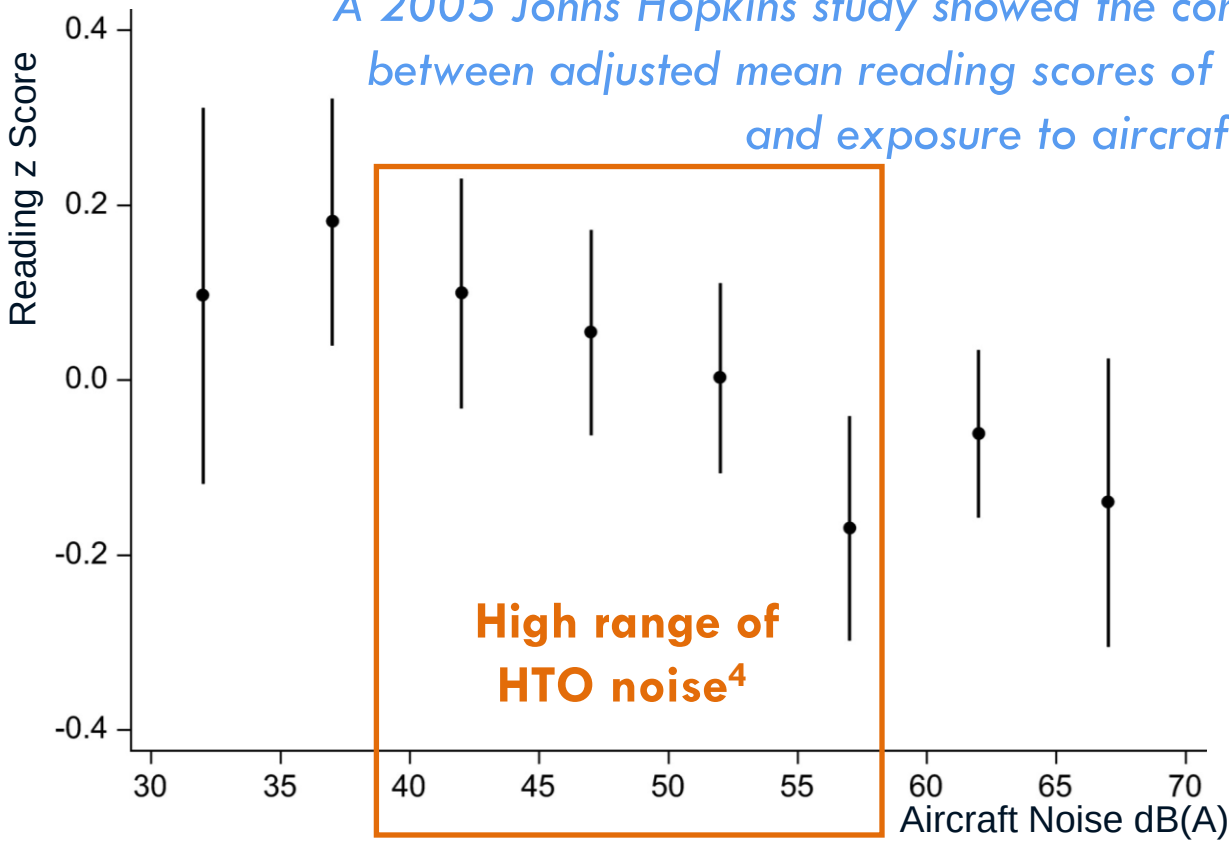
Noise pollution has been associated with sleep interference, long-term memory deficits, and reading delays in children.

Noise pollution is unwanted or disturbing sounds especially when it interferes with normal activities such as sleep.[1]

Exposure to a high level of aviation noise is **associated long-term memory deficits and reading delays** in children and young adults. The same results were not found in exposure to auto traffic noises.[2]

In a suburban setting, most people will be **disturbed by 40 to 50dB.**[5]

A 2005 Johns Hopkins study showed the correlation between adjusted mean reading scores of children and exposure to aircraft noise.[3]



Source: (1) Luther, 2008; (2) Stansfeld et al, 2015; (3) American Journal of Epidemiology, 2005; (4) East Hampton Airport-Draft Master Plan, 2007; (5) Bell, 2001

Regionally, quiet natural spaces serve as a social destination for residents looking for rest and relaxation.

Parks like Grace Estate in Northwest Harbor, Hither Woods in Montauk, and Fresh Pond Park in Amagansett are all possible styles of recreational use for the site.

GRACE ESTATE

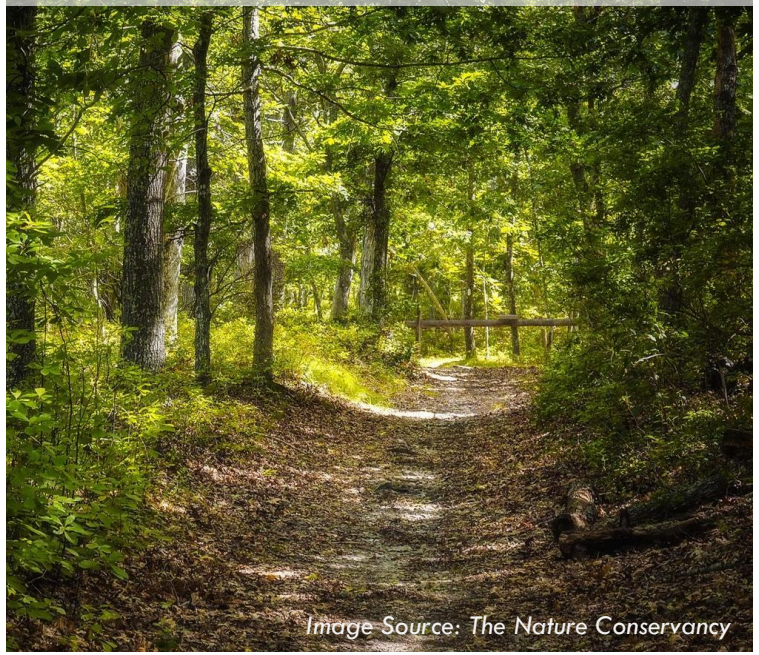


Image Source: The Nature Conservancy

HITHER WOODS PRESERVE

Image Source: NY-NJ Trail Conference

FRESH POND PARK

Image Source: All Trails

Passive use at the site could counter exposure to air and ground pollution through many well-documented health benefits.

REDUCED DISEASE RISK

The natural filtration of open space is strongly correlated with reduced rates of environmental diseases including **asthma, many cancers, and heart disease.**[1]

HEALTHY LIFESTYLES

Access to open space of any kind encourages and enables healthier lifestyles, thereby leading to **lower rates of obesity in children and adults.**[2]

IMPROVED MENTAL HEALTH

Access to greenspace is the **second-best indicator of mental health** outcomes in children, only following socio-economic status.[3]

Source: (1) UK Department of Health, 2012 (2) Liu et al, 2007 (3) Engenman, 2019

Passive green space would eliminate negative externalities from airport operations, including pollution and land use, and create positive environmental benefits.

ECONOMY

Home value, spending, attraction and retention

COMMUNITY

Noise, quality of life, physical health, and use as a social destination

ENVIRONMENT

Water quality and stormwater management, pollution reduction, and wildlife habitat

Water contamination associated with airport operations is shown to cause fish kills, algae blooms, and contaminate drinking water.

Studies show that airport operations can **lead to contamination of local water supplies.** De-icing, fuel storage and refueling, aircraft cleaning and construction are all possible sources of pollutants resulting from airport operation.[1]

De-icing discharge can potentially **cause fish kills, algae blooms, or contaminate drinking water.** [2]

Image Source: NASA De-Icing

Source: (1) East Hampton Town Water Quality Improvement Plan, 2015; (2) Luther, 2008

East Hampton's unique natural attributes make it particularly vulnerable to the effects of pollution from airport-related water contamination.

Water contamination is a significant issue for the Town of East Hampton as it depends on the **Georgica Watershed** as the area's sole source of water, including potable water.[1]

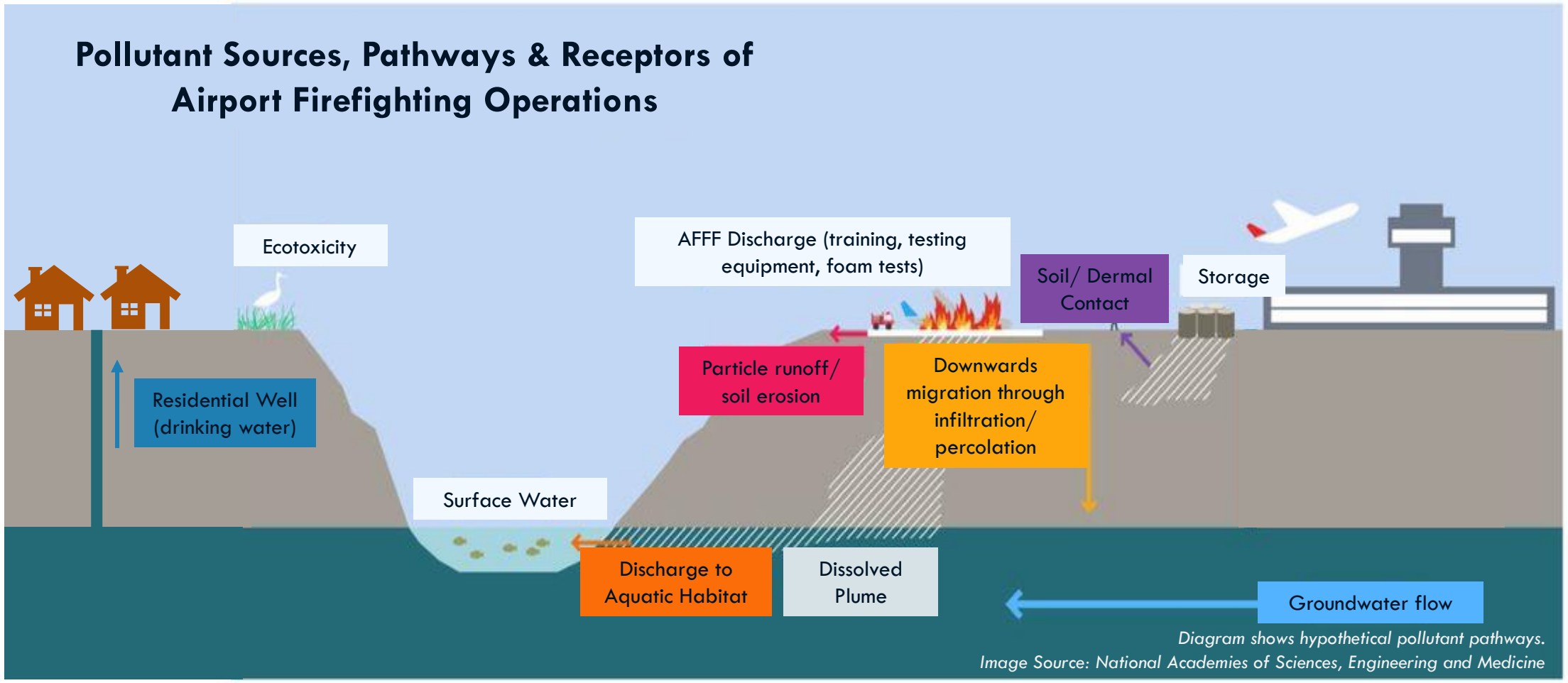
East Hampton Airport is a designated Suffolk County **Special Groundwater Protection Area** and contains preserved property for Aquifer protection.

HTO is within one mile of Georgica Pond and has a history of ground pollution due to firefighting operations at the airport.[2]

Fish kills and algae blooms in **Georgica Pond** are of additional concern in the Hamptons region due to the regional prominence of ocean-related tourism.[3]

Source: (1) East Hampton Town Water Quality Improvement Plan, 2015 (2) Wainscott Hamlet Report; (3) East Hampton Town Water Quality Improvement Plan, 2015

At airports around the country, pollutants from firefighting foam often leach into surrounding areas.

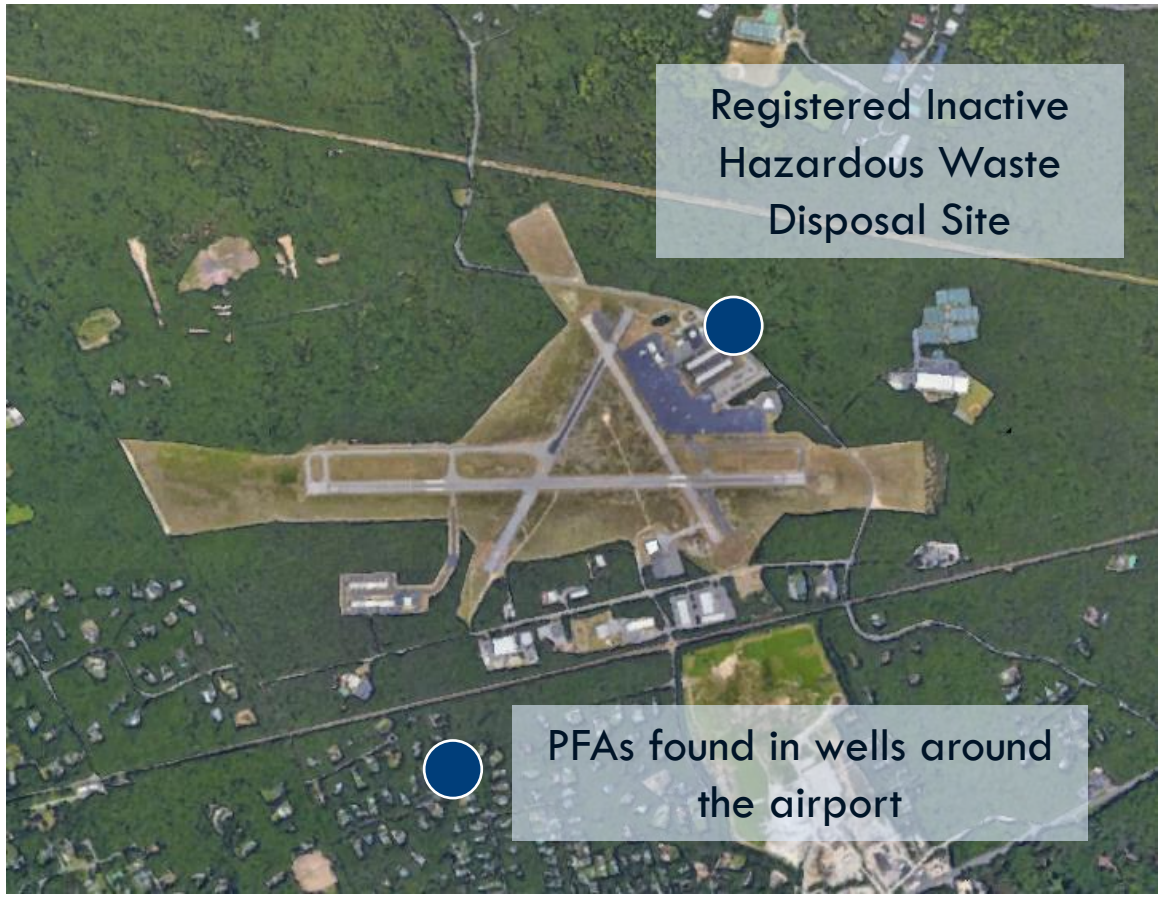


Ground pollutants originating at East Hampton Airport have affected nearby residents by way of drinking water contamination.

Airport firefighting operations entails the use of aircraft firefighting foam which has been found to contain perfluorinated chemicals (PFAs) that contaminate ground water. **As a result, the airport has been designated an Inactive Hazardous Waste Disposal Site.** Exposure to these chemicals is still being studied and has been shown to increase the risk of certain tumors in animals.[2]

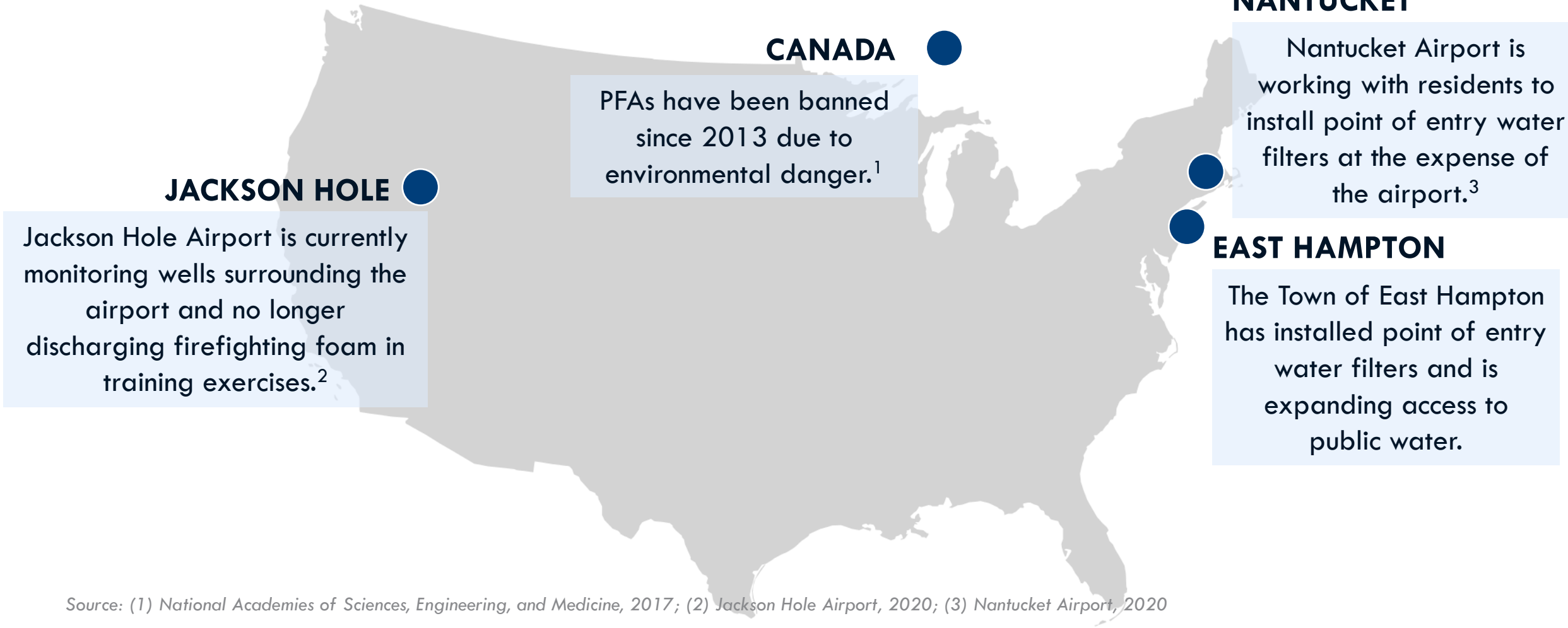
Furthermore, **PFAs, like those found in wells around the airport,** are nicknamed "forever chemicals" due to their resistance to breaking down. At high levels, long-term exposure has been linked to kidney cancer and thyroid disease.[3]

Because the airport is an Inactive Hazardous Waste Disposal Site, any change of use requires notification to the New York State Department of Environmental Conservation.



Source: (1) New York State Department of Environmental Conservation, 2020; (2) American Cancer Society, 2020; (3) Hersher, 2019

Similar airports across the US have been addressing PFA contamination ahead of FAA dropping the requirement to use PFAs in 2021.



CANADA

PFAs have been banned since 2013 due to environmental danger.[1]

JACKSON HOLE

Jackson Hole Airport is currently monitoring wells surrounding the airport and no longer discharging firefighting foam in training exercises.[2]

NANTUCKET

Nantucket Airport is working with residents to install point of entry water filters at the expense of the airport.[3]

EAST HAMPTON

The Town of East Hampton has installed point of entry water filters and is expanding access to public water.

Source: (1) National Academies of Sciences, Engineering, and Medicine, 2017; (2) Jackson Hole Airport, 2020; (3) Nantucket Airport, 2020

Even at small airports, elevated levels of dangerous pollutants are known to be harmful to human health.

Scientist have found high levels of **ultrafine particles, polycyclic aromatic hydrocarbons (PAH)**, and **black sooty carbon** associated with airport operations.[1]

These pollutants are shown to increase levels of respiratory and cardiovascular diseases, carcinogenic risk, and hormonal disruptions.[2]

While distinctly less urban, HTO's small size means that **nearby residents live closer to the runway than would occur at major airports**, potentially exposing them to similar air pollutants.

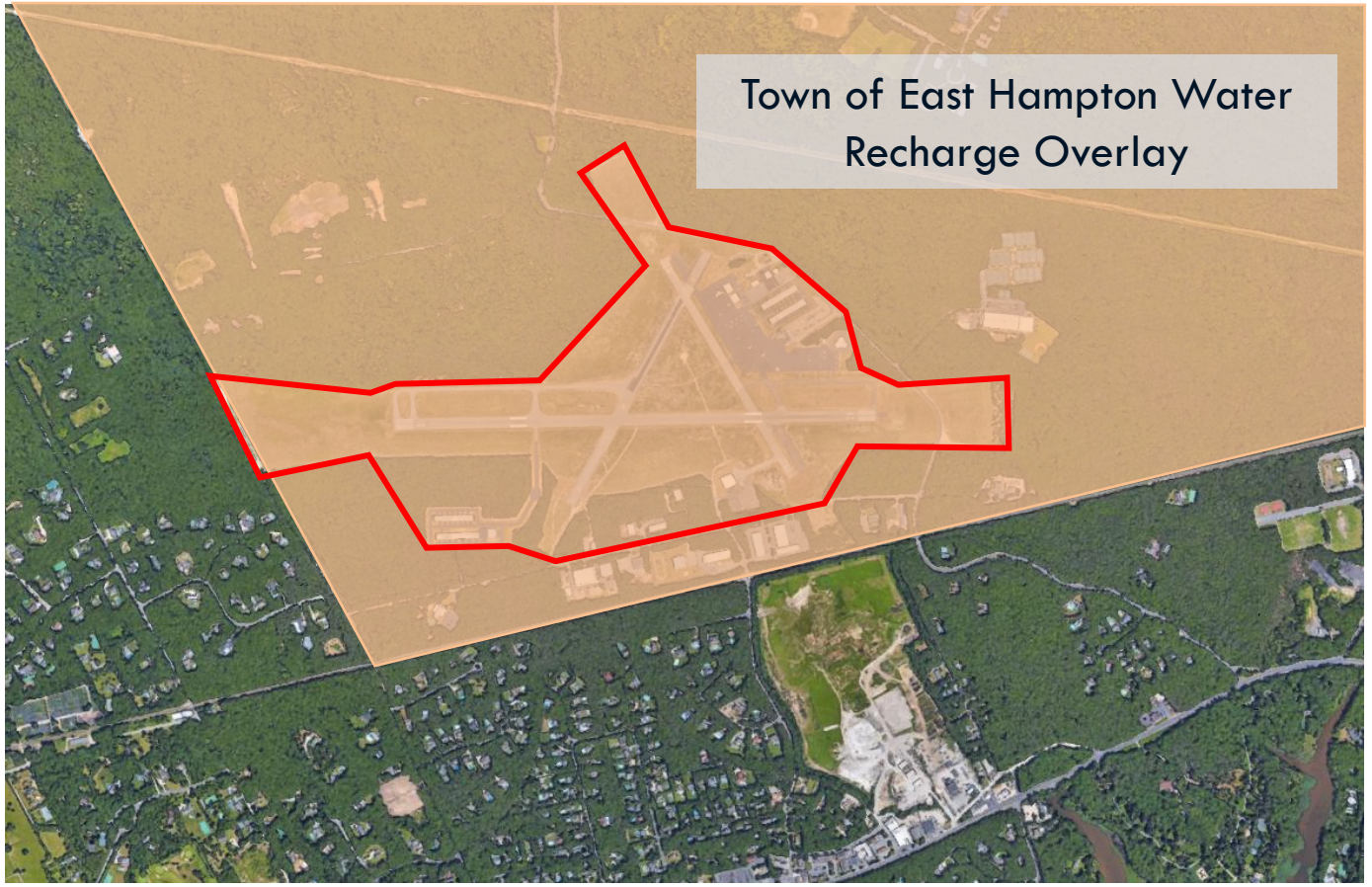
Image Source: Santa Monica Daily Press

Source: (1) Santa Monica Airport Health Impact Assessment, 2010; (2) Ibid; (3) Town of East Hampton Climate Action Plan, 2015

The airport sits within a Water Recharge Overlay, meaning passive use could bolster the quality of the ground water supply.

East Hampton uses open space preservation as a policy to inform its coastal management strategies.[1] The area encompassing the site is a designated **Water Recharge Overlay**.

The EPA recommends preserving open space as a method for stormwater management. Open space better filters and absorbs water than developed land.[2]



Source: (1) East Hampton Town Quality Improvement Plan, 2015; (2) EPA Enhancing Sustainable communities with Green Infrastructure

Passive use could support localized wildlife patterns, as the East Hampton Airport currently sits in the middle of protected open space.

Continuous open space helps bolster local flora and fauna. Though 45% of the land located in the Georgica Pond watershed is undeveloped, much of it is interrupted.[1]

North of the site, 1,000 acres of land are preserved as open space.[2]

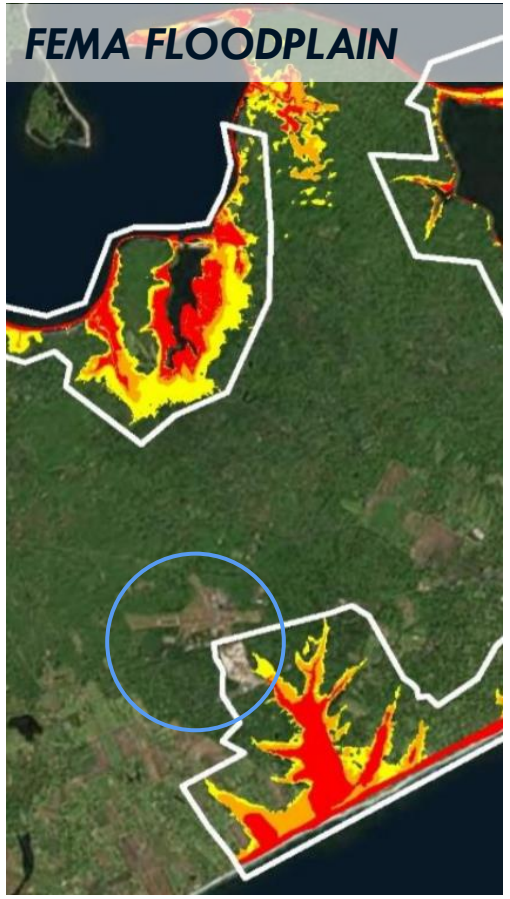
Source: (1) East Hampton Town Quality Improvement plan, 2015; (2) Dodson & Finkler et al, 2019

Investing in green infrastructure at the site could reduce the cost of Town services and mitigate property damage due to flooding.

Replacing concrete with permeable, green space is a **cost-effective way to manage stormwater and mitigate flooding.** HTO is proximate to the FEMA 500- and 100-year flood plain risk zone.[1]

Green infrastructure can mitigate the impacts of localized flooding events and extreme weather events by:

- **Reducing the overall amount of water entering local dry wells** or surface waters;[2] and
- Creating a protective barrier to **reduce damages to public infrastructure and private property.**[3]



*FEMA estimates **25%** of the $1 billion in annual damages from caused by flooding are linked to stormwater.*[4]

Source: (1) Town of East Hampton Coastal Assessment Resiliency Plan, 2017; (2) Odefey et al, 2012; (3) Odefey et al, 2012; (4) FEMA

Introduction

Scenario Evaluation

Key Findings

Reducing airport operations or converting HTO to passive use will provide important economic, quality of life, and environmental benefits. Quantifying the potential increase in property values will require additional analysis.

Scenario	Total Output	Total Jobs	Property Value Benefits	Quality of Life Benefits	Environmental Benefits
Scenario 1: Existing Conditions	**$13M to $26M**	**100 to 230**	**N/A**	**N/A**	**N/A**
Scenario 2: Modified Operations	**$10M to $18M**	**65 to 150**	**$**	✓	✓
Scenario 3: Passive Use	**$**	**$**	**$$**	✓✓	✓✓

Key Takeaways

- **Current airport operations and passenger spending generates $13M to $26M in economic output and 100 to 230 full time equivalent (FTE) jobs** for the Town. However, HTO passengers' spending represents only 1 to 2% of the Town's taxable sales.
- HTO's total employment impact of 100-230 jobs represents **1% to 2% of all East Hampton employment**, and 3% to 8% of all tourism employment. The reduction in employment resulting from the modified scenario **represents 0.5% to 1.3% of all East Hampton employment** and 1.2% to 3% of tourism employment.
- Complete closure of HTO will result in benefits that **improve Town residents' quality of life and reduce noise, ground, and water pollution.** Some of these benefits (access to open space, reduced noise) may have positive impacts on nearby property values.